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ABSTRACT

A Texas State Job Training Coordinating Council task force developed a series of recommendations regarding improving Texas' current employment and training system to prepare the state's residents for the "smart jobs of the future." A formal literature review was conducted, and regional forums were held and attended by a wide range of stakeholders in Texas' job training system. The task force then formulated 2 general and 22 specific action recommendations for improving Texas' current employment and training system. Among the recommendations were calls for the governor to promote and gain consensus for a high-skill, high-wage strategy to build an internationally competitive, world-class work force in Texas and to take the steps necessary to provide both clients and employers with high quality, appropriate employment and training services at the local level. The remaining recommendations focused on short- and long-term actions related to the following: integrated service delivery, business-government partnerships, program development and quality, accountability and standards, and resource allocation. (Contains 21 references. Appended are a final report on the Smart Jobs Regional Forums, list of funding levels by agency, inventory of work force programs, and review of work force development programs in other states.) (MN)

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SMART JOBS TRAINING PLAN: A STRATEGY FOR TEXAS

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A Report to the Governor

STATE JOB TRAINING COORDINATING COUNCIL

JANUARY 1993

CF 066342

SMART JOBS TRAINING PLAN: A STRATEGY FOR TEXAS

A Report to the Governor
From the State Job Training Coordinating Council

Tom Frost, Chair
Nora Linares, Vice Chair

STATE JOB TRAINING COORDINATING COUNCIL
Smart Jobs Task Force

January 1993

State **J**ob **T**raining **C**oordinating **C**ouncil
Ann W. Richards, Governor
Tom C. Frost, Chair

February 23, 1993

The Honorable Ann W. Richards
Governor
State of Texas
Austin, Texas 78711

Dear Governor Richards:

We are pleased to transmit to you the *Smart Jobs Training Plan: A Strategy for Texas*. This report represents the collective efforts of the State Job Training Coordinating Council and its staff to recommend to you a plan for implementation of a high skill, high wage strategy that will prepare the Texas work force for the "smart jobs" of the future.

The recommendations in this report reflect the Council's conclusion that a more effective and efficient system would result if all work force development programs were administered by a single agency at the state level. We also recommend a single, broadly constituted, Human Resource Investment Council to advise you on Texas' major work force development programs.

We wish to stress, however, that the majority of the recommendations suggests actions that can be taken now, without legislative action, to better serve the employers and participants associated with the many work force programs in our State. We hope that you will seriously consider these recommended actions whether the agency structure for administration of work force programs changes or remains the same.

Finally, we wish to express our appreciation for your confidence in the State Job Training Coordinating Council in asking that we assume a leadership role in developing this Plan. The work associated with this project has greatly enhanced the Council's knowledge and ability to perform its role as a "coordinating council" for the approximately $1.2 billion that comes to the State each year for work force development purposes.

More important than the facts and figures, however, was the opportunity to hear directly (through regional forums conducted in the Fall of 1992) from the clients and employers of the difficulty and frustration they experience in accessing government employment and training programs. Their stories convinced us of the need to strengthen the initial set of recommendations sent to you last summer.

Though the report is completed, the work is just beginning. We, and the Smart Jobs Task Force which led this effort, welcome the opportunity to discuss the Council's report with you at any time.

Sincerely,

Tom C. Frost, Chair
State Job Training Corodinating Council

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ACRONYMS

AFDC	Aid to Families with Dependent Children
CBO	Community-Based Organization
CIS	Communities-In-Schools
COG	Council of Governments
DHS	Department of Human Services
DOL	Department of Labor
HRIC	Human Resource Investment Council
JOBS	Job Opportunities and Basic Skills
JTPA	Job Training Partnership Act
NAFTA	North American Free Trade Agreement
PIC	Private Industry Council
QWFP	Quality Work Force Planning
RIO	Re-Integration of Offenders (Project RIO)
SBOE	State Board of Education
SCANS	Secretary's Commission on Achieving Necessary Skills
SDA	Service Delivery Area
SOICC	State Occupational Information Coordinating Committee
SJTCC	State Job Training Coordinating Council
STEP	Senior Texan Employment Program
TBEC	Texas Business and Education Coalition
TCOVE	Texas Council on Vocational Education
TDCJ	Texas Department of Criminal Justice
TDOC	Texas Department of Commerce
TEA	Texas Education Agency
TEC	Texas Employment Commission
THECB	Texas Higher Education Coordinating Board
TRC	Texas Rehabilitation Commission
UI	Unemployment Insurance
YOU	Youth Opportunities Unlimited

ACKNOWLEDGEMENTS

This document, the "Smart Jobs Training Plan," prepared by the State Job Training Coordinating Council (SJTCC) Smart Jobs Task Force and the SJTCC staff, reviews and analyzes the current work force development programs in Texas. In doing so, the efforts of many individuals and organizations have been required. And, without exception, those involved were actively interested in and committed to the project.

The following members of the State Job Training Coordinating Council Smart Jobs Task Force identified the major themes in the Plan and developed and refined the recommendations: Macey Reasoner and Mary Jane Leahy, Co-Chairs; William Allaway; Martha Hinojosa-Nadler; Buzzy Meyer; Joe Rutledge; Nellie Thorogood; Charles Turco; Roger Williams; and Manny Zamora.

Macey Reasoner, the immediate past Chair of the SJTCC, provided clear direction and leadership in focusing everyone on the task at hand -- to provide the Governor with practical and comprehensive recommendations for how Texas can best organize and utilize the resources that come to our state for work force development purposes.

The following state agencies and organizations committed substantial staff resources to compiling the inventory and providing essential feedback on the approach to developing and organizing the Plan: Office of the Governor, Texas Department of Commerce, Texas Education Agency, Texas Employment Commission, Texas Higher Education Coordinating Board, Texas Department of Human Services, Texas Department on Aging, Texas Rehabilitation Commission, Texas Business and Education Coalition, Texas Research League, and the Texas Department of Criminal Justice. Texas Department of Commerce staff within the Work Force Development Division assisted with the legal research and editing and provided information throughout the process.

The staff of several other groups, some of whom are working on similar projects, provided valuable insight and perspectives and important cautions on how to proceed: the Senate State Affairs Committee, the Office of the Comptroller, the Sunset Advisory Commission, the University of Texas Center for the Study of Human Resources, the Texas Association of Private Industry Councils, the Service Delivery Area Policy Advisory Group, and the State Occupational Information Coordinating Committee (SOICC).

Last in the process, but extremely significant in their impact, were the many participants in regional forums designed to provide the Task Force with broad feedback on the original recommendations. Participants in the forums included business and labor representatives, clients, front-line workers, local program administrators, state agency administrators, and state-level policy experts. Cynthia Vana of TDOC organized the forums and worked diligently to ensure representation from many different work force programs. Lloyd Korhonen and Jim Gaston of Texas A&M University facilitated the forums and are preparing a separate report which details the information gathered through the forums. That information is also summarized in the Addendum.

PREFACE

In October, 1991, the Governor called upon the State Job Training Coordinating Council (SJTCC) to develop the "Smart Jobs Training Plan" - the plan for the development of a world-class work force for Texas. The concept of "smart jobs" is an intriguing one, and one that has been the subject of considerable discussion and interest in the state and the nation. For purposes of this project, "smart jobs" are defined as jobs which require high-level thinking, reasoning, and technical skills – the jobs which are and will be in demand and rewarded by high wages. The process of identifying industries and occupational areas that generate "smart jobs" is a dynamic one addressed at the state level by the State Occupational Information Coordinating Committee (SOICC) and at the regional level by Quality Work Force Planning (QWFP) Committees. At the same time, the national Departments of Labor and Education are attempting to define the skill standards which employees must meet in order to obtain and retain "smart jobs." The Texas Department of Commerce, through the Texas Skills Development Program, is developing a methodology through which national standards can be adapted to Texas and validated regionally within Texas. As these particular efforts proceed, this "Smart Jobs Training Plan" focuses on recommending a comprehensive strategy for wise use of the state's existing vocational education, job training, adult education, and other program funds to implement a "smart jobs" approach in Texas.

All of the research and analysis associated with this project -- from the formal review of the literature on work force and related economic issues to regional forums with clients, front-line workers, business and labor representatives, and administrators -- supported the premise that our future prosperity depends upon our ability to educate and train workers to meet the requirements of the "smart jobs" of the future. Without exception, however, the message was loud and clear that some very basic issues must be addressed simultaneously with the need for sophisticated skills training programs. Unless we address these basic issues, the benefits of state-of-the-art skills training will never be realized by those who need it most.

Though recommendations for the reform of the education system in general were beyond the scope of this study, the consistent message from every stakeholder group was ***that, in order to have a world-class work force, we must have a world-class education system. And, according to employers and clients alike, our current system is far from world-class***. Employers and students agree that the high school diploma is no guarantee of basic reading, writing, and mathematical skills, and certainly not of interpersonal skills and work habits that make one a successful employee. Employers insist that the most critical and necessary improvement to our current system is to ensure that the high school diploma means that an individual possesses the basic skills and attributes to enable the employer to train that individual to meet specific job requirements.

There was also a very clear and consistent message regarding the work force development programs that are the subject of this report. This message was conveyed strongly by our customers, employers and clients, as well as front-line workers such as counselors, intake workers, and teachers: the "front end" processes of intake, eligibility determination, assessment, and referral to appropriate services are confusing, wasteful, and often humiliating to the client. This results in clients being 1) unaware of the range of services available to them, 2) enrolled in inappropriate programs and services, and 3) "recycled" from one program to another, often without ever reaching their primary goal of productive employment.

The complex and often conflicting federal rules and regulations that follow most of the work force program funds to the state level are perhaps the primary cause of the problems described above. But, invariably, state agencies add to and interpret the federal rules and regulations, generating separate sets of federal and state requirements that must be followed at the local level. And it is at the local level that the client encounters this confusing maze of programs, rules, and regulations.

The SJTCC Task Force, after studying the issues and hearing from a wide range of stakeholders, developed a series of recommendations that begins with the need for a unifying vision to focus and direct the State's work force development efforts. The Task Force concluded that the most effective solution to the system's critical problems would include state legislation to restructure work force programs under a single agency. If

massive restructuring is not realistic in the current fiscal and political environment, legislation which requires state agencies to develop common eligibility, intake, and assessment processes and forms is recommended.

The Task Force wishes to stress, however, that even without legislative action, the Governor, through her executive authority, may implement most of the recommendations in this Report, and that these actions have the potential to significantly improve the experience of the client and the success of the State in developing a world-class, internationally competitive work force.

I. SUMMARY

I. SUMMARY

Introduction

Since the mid-eighties, numerous national studies have warned that the United States must accelerate and focus its efforts to improve the quality of its work force in order to maintain our standard living and remain competitive in a global economy. According to the well-known 1990 study, *America's Choice: high skills or low wages!* (*America's Choice*), by the National Center on Education and the Economy, these efforts must specifically target the 70 percent of the work force that does not graduate from college. *America's Choice* also cites a decline of 12 percent in real average weekly earnings in the United States between 1969 and 1990, when the incomes of the top 30 percent of earners increased and the other 70 percent decreased. According to the Texas Employment Commission (TEC), in Texas between 1984 and 1990, the average worker's real wages, with inflation considered, declined by about five percent. From both the state and national perspectives, virtually all experts conclude that education and training remain the individual's best defense against a decline in wages and standard of living.

The July, 1992, *Fiscal Notes*, published by the Comptroller's Office, further supports the need to train and educate the work force not only for the nineties but well beyond the year 2000.

"Past growth in low-skill jobs far outnumbered that in high-skill jobs. But the next 35 years could see that trend reversed, if investments are made in education and job training. An estimated 30 percent of new jobs created by 2000 will require at least a college diploma; another 22 percent will require some college. High school dropouts will be able to fill only 14 percent of new jobs."

These projections reinforce the evidence that investment in the education and training of current and future workers -- and a concurrent investment in reorganization of the work place to fully utilize the skills of a "smart" work force -- is essential to our economic future.

Research and Analysis

Determining what Texas must do to develop a "smart," world-class work force involves examining the State's current resources that are specifically directed toward work force development and assessing how these resources are actually utilized. A recent inventory (see Appendix A) of work force programs conducted in developing this plan revealed the following:

- ***Over $1.2 billion per year in federal and state funds is spent annually in Texas on vocational education, adult basic education, job training, job placement, and related services.***
- ***Nine separate agencies administer these programs and at least twenty governing and advisory boards oversee them.***
- ***With these dollars, over four million Texans are provided everything from basic reading and writing skills to highly specialized biomedical training.***
- ***Within these programs, over twenty-six special initiatives aimed at improving the coordination of programs and services are currently underway.***

An analysis of the results of the inventory and research showed that the approximately twenty major work force development programs tend to fall within the following five categories:

EDUCATION SYSTEM PROGRAMS: (e.g. adult education, vocational education) -- those programs administered by state educational agencies and designed to provide job related education or preparation for job-related education. Success measures typically include learning gains, competency (skill) attainment, and education credentials/degrees.

INTERVENTION SYSTEMS FOR GROUPS WITH SPECIAL NEEDS: (e.g. Job Training Partnership Act (JTPA), Job Opportunities and Basic Skills (JOBS)) -- those programs designed to intervene on behalf of certain populations, e.g. welfare recipients, low income, or handicapped, who have traditionally experienced difficulty accessing and/or being successful in regular education or vocational programs. Success measures are labor market related and typically include job placement, retention, and wage rates.

LABOR EXCHANGE SYSTEM: (Employment Service) -- those programs designed to match job-ready job seekers with available jobs. Non-job ready applicants are typically referred to education or intervention system programs. Success measures include individuals placed by the Employment Service (ES), individuals who entered employment, and number of employers who utilized the Employment Service system to hire applicants.

CUSTOMIZED TRAINING FOR BUSINESS DEVELOPMENT: (Worker Incentive Program) -- those programs designed to provide specific job training for active and prospective employees to retain current jobs or fill new openings. Success measures include new jobs created, jobs saved or retained, ability of applicants to pass entry tests, and promotion to higher level jobs.

PUBLIC AWARENESS INITIATIVES: those programs designed to increase the awareness of business, labor, education, community leaders, and the public regarding work force development and education reform issues.

The above categories were used to classify programs according to commonality of purpose and expected outcomes or results. Obviously, there is considerable overlap among the five categories and room for argument regarding how programs are

classified. However, these categories help explain why and how the current array of work force programs have become much more of a "maze" than a "system," and why there are frequently "turf" battles among programs which essentially work 1) at cross purposes and 2) toward very different outcomes for their clients.

Initial research documented many extremely successful programs and creative approaches, including Quality Work Force Planning (QWFP) Committees for provision of regional labor market information, Tech-Prep initiatives which offer comprehensive technical preparation programs, and Communities-in-Schools (CIS) programs for dropout prevention. But, the research also documented the "gaps" that prevent this fragmented, often duplicative, array of programs from constituting a comprehensive and successful system for educating and training a world-class work force. The "gaps" in current programs include the following:

- lack of a comprehensive labor market information system which provides a reliable source for identifying growing and declining industries and occupations, and the jobs and skills associated with them.

- lack of a systematic strategy for serving "hard-to-serve" groups. Though every program has some requirements for reaching the "hard-to-serve," they are the groups (welfare recipients, dropouts, illiterates) that experience the programs as "hard-to-access."

- lack of a coordinated approach to dropout prevention and recovery. Again, despite the high dropout rate, there is no standardized system that a potential dropout or dropout can turn to for assistance -- and the Texas Education Agency (TEA) has not focused its efforts on addressing these issues.

- lack of comprehensive work place education and training (retraining) for employed individuals. According to 1991 figures from the Bureau of Labor Statistics, approximately 63% of the work force of 2005 is already in the labor force. Yet, Texas devotes only $2 million per year in public funds to train and retrain the active work force.

- lack of a strategy for school-to-work transition. Though more than 50% of graduates do not pursue a baccalaureate degree, there exists no systematic approach, such as an apprenticeship system, to assure their successful transition into the labor force.

- lack of a strategy for re-employment of laid off workers. There is no central place in the community for laid off workers to access services and/or to match their skills to new and emerging jobs.

Many of these "gaps" can be attributed to trends in the employment and training programs over the last 50 years. While many of the requirements that created these trends have been well-intentioned, they have, in fact, had the effect of discouraging coordinated services:

- *Mixed Messages from the Federal Level - Separate programs for many populations and programs with vague, confusing, and often meaningless "coordination" requirements.*

- *Special Populations Trend - While older programs, such as the Employment Service and Vocational Education were designed to serve anyone in need of services or of compulsory school age, in the fifties and sixties new programs were created to assist special populations -- for example, economically disadvantaged, migrant workers, veterans -- in gaining access to and receiving financial support to take advantage of services offered by the traditional institutions. This trend has encouraged specialized programs for targeted groups, as opposed to a comprehensive system to assist all individuals in need of employment and training services.*

- *Changing Roles in Service Delivery - Intervention programs have become providers of direct training services and educational institutions have increasingly taken on advocacy roles previously assumed by JTPA or community advocacy programs; this trend has caused some "role" confusion and sometimes results in professionals assuming responsibilities outside their areas of expertise.*

- *Conflicting/Inconsistent Standards and Expectations - Work force development programs are under increasing pressure to produce positive results for their client populations. Yet, the current approach often overlooks what the appropriate outcomes are for a given program or population, resulting in a "numbers game" as opposed to a meaningful accountability system.*

- *Confusing Governance Structure - The confusing array of governing and advisory boards for work force programs result in inconsistent and sometimes conflicting goals and policies, making coordination at the local level difficult to achieve.*

- *Lack of Proactive Policy-Making - The prescriptive nature of federal legislation and the pressure from local delivery systems to pass resources to the local level with "no strings attached" amounts to a lack of proactive policy-making at the state level which focuses and directs resources toward agreed upon goals and purposes.*

The current condition of the nation's and the state's programs to improve the quality of the work force is under intense examination due to the urgency of this issue for individuals and the economy. In Texas, the Sunset Advisory Commission, the Comptroller's Office, and the Senate State Affairs Committee are studying and have made recommendations to improve our systems. At the national level, both political parties have proposed legislation to essentially restructure work force development programs for improved service integration. Two points of consensus have characterized all of these efforts:

- The need for integrated service delivery at the local level -- some type of "one-stop shopping" is characteristically envisioned through which clients and employers could access education, training, and labor exchange services.

- The recommendations in *America's Choice* for implementing a high skill, high wage strategy for work force development are "on target."

Conclusions

The SJTCC Task Force (Task Force), as indicated, has conducted an intense examination of the literature regarding the State's resources for work force development, work force issues, the "gaps" in current efforts, trends in the employment and training field, and current studies and initiatives at both the state and national levels. Section III, Documentation and Analysis, describes these efforts in detail and provides the basis for the Task Force's conclusions and recommendations. As a result of these efforts, the Task Force concluded that systemic changes, as opposed to fragmented directives or prescriptions for individual programs, need to occur in order to make the system more responsive to the needs of client and business customers. The Task Force was very concerned that business and labor be more meaningfully involved and be treated as respected customers when accessing government services, particularly work force programs. Involving business and labor more productively means not just depending on them as "advisors" to government, but actively utilizing the assistance that they are willing to contribute in human, in-kind, and financial resources. There was also particular concern that we involve business and labor in developing a strategy and funding for the education and training of the active, currently employed work force -- both to prevent dislocation and remain competitive as technological advancements present new challenges in the work place.

"One-stop shopping" for the business customer, as well as the client, was identified as critical to the success of the partnership between the private and public sectors. Employers who need assistance in providing training or finding qualified employees should be able to receive high-quality, customized services at the local level through such "one-stop" community facilities. The Task Force also strongly asserted that, in order for business and the public to trust and support the ability of government to address critical needs, government must make bureaucratic detail and procedure invisible to its business (employers) and client (program participants) customers.

The Task Force concluded that the high skill, high wage strategy as described in *America's Choice* best summarizes the guidelines that business, labor, government, and the public must embrace in order to implement this strategy:

- a high educational standard for all high school students and a Certificate of Initial Mastery for those who meet that standard.
- alternative learning environments for those who do not attain the standard.
- assistance to employers to educate and train their employees and to pursue high productivity work organizations.
- a system of local employment and training boards to set up alternative learning environments and school-to-work transition programs, and oversee, organize, and coordinate the training resources in their communities.
- a system of technical and professional certificate and associate degree programs for students and adults not pursuing a four year degree.

The above actions obviously require the support of leaders, programs, and agencies with the authority to reach beyond the work force development system considered specifically in this document. The Task Force that developed these recommendations emphatically stressed the need to obtain support for this strategy from other groups charged with bringing about fundamental changes in our schools and training institutions. These groups include the Committee on Student Learning, the Texas 2000 Coordinating Committee, and the Texas Business and Education Coalition. ***In order to have a world-class work force, the State must have a world-class education system.***

The Task Force also emphasized the need for careful coordination with the health and human services system which will be consolidated under one agency at the state level and is funding pilot projects for integrated service delivery at the local level. This link with human services is critical, for children cannot progress in school and adult job trainees cannot successfully complete training unless medical, nutrition, and other support needs (e.g. child care) are addressed.

After conducting the initial research and adopting the guidelines described above from *America's Choice*, the SJTCC Task Force drafted an initial set of recommendations. Next, the SJTCC conducted six regional forums with clients, front-line workers, business and labor representatives, and local program representatives to obtain their responses to the

draft recommendations. (The addendum at the end of this report describes the forums and their results.) The input received in these forums resulted in changes which modified and significantly strengthened some of the draft recommendations.

The Task Force heard from every group about the confusing and often humiliating experiences which clients must endure to access education and training programs. Clients are asked repeatedly for the same documents to verify eligibility, are tested separately for each program, and there is no coherent management or systematic approach to determine their needs and design services to meet those needs. Thus, the severe flaws at the "front-end" of the process result in clients dropping out of programs that turn out to be inappropriate, being "recycled" through the system to another program, and often never reaching their primary goal: productive employment.

In addition to the urgent issues identified above, results of the regional forums also identified the following critical needs:

- Need for job creation and economic development as well as education and training;
- Need for more policy emphasis and commitment of discretionary funds for literacy, adult basic education, work place basics, i.e. Secretary's Commission on Achieving Necessary Skills (SCANS) skills, as opposed to occupational skills training;
- Need to ensure compatible performance standards among programs to give clients access to a "hierarchy" of program services (from literacy instruction through occupational skills training). Such a system would allow clients to enter the system at multiple points and obtain services appropriate to their needs. It would also allow programs to take "credit" for meeting their needs; and
- Need for a sustained source of funds for training of the active work force, such as the program proposed through the *Smart Jobs Fund*.

II. FINAL RECOMMENDATIONS TO THE GOVERNOR

II. FINAL RECOMMENDATIONS TO THE GOVERNOR

There are two general recommendations that are discussed in some detail (see A and B below) and twenty-two recommendations for specific short- and long-term actions (see C, 1-22 below).

A. PROMOTING THE VISION

The first recommendation concerns promoting the vision of a world-class, internationally competitive work force for Texas. This is a general and overriding recommendation and is critical to the success of this effort:

> The Governor should utilize the full powers of her office to promote and gain consensus at the top levels of government, business, and labor for a high skill, high wage strategy to build an internationally competitive, world-class work force in Texas.

In order to build upon the efforts already underway in Texas that support the high skill, high wage strategy, it is recommended that the Governor support the following initiatives in the State's legislative, budget, and policy development processes:

- The activities of the *Committee on Student Learning* charged with setting standards and developing assessment and certification processes leading to a Certificate of Initial Mastery for all Texas students.

- The *Texas Skills Development Program* charged with soliciting the expertise of industry to identify skill standards for "smart job" industries. Once these skill standards are developed, vocational/technical programs of study should be subject to these standards before approval to be taught in Texas schools.

- *Quality Work Force Planning Committees* at the regional level to identify job demands unique to a region and make high quality training available for those jobs through school districts, community colleges, and other training institutions.

- The local network of *Private Industry Councils (PICs)* established under the JTPA, whose ten year record places them in an ideal position to become the Employment and Training Boards recommended in *America's Choice.*

- The comprehensive strategy set forth in *The Governor's Task Force on Economic Transition* recommendations for assisting defense workers, re-using military bases, and transition of the defense industry.

B. IMPROVING CUSTOMER SERVICE - "ONE-STOP SHOPPING"

It is recommended that the Governor begin immediately to take the steps necessary to enable both the client and employer to receive, at the local level, quality employment and training services appropriate to their needs.

Local Action: The above requires that funds be distributed in a coherent way at the local level. Local employment and training boards would receive funds in "block grant" fashion. Boards would include business, labor, education, job training, human services,

and public representation. They would, in turn, plan and oversee the use of these funds in their communities, and set up "one-stop" community facilities through which customers could access services.

State Action: The Task Force concluded that the State could contribute most effectively to improving local service through state legislative action which would combine all work force development programs and funds under a single governing and administrative agency at the state level. Thus, local employment and training boards could relate to a single agency at the state level.

The initial programs covered by this restructuring should include JTPA, the Employment Service, state and federal vocational and adult education, Job Opportunities and Basic Skills, Food Stamp Employment and Training Program, and Trade Adjustment Act programs.

If, for political or fiscal reasons, such restructuring is not currently possible, legislation is recommended which requires state agencies to 1) develop joint, automated intake, eligibility, and assessment processes and forms and 2) train their front-line workers to effectively use the system and to be sensitive to the needs of clients and customers.

C. IMPROVING THE CURRENT EMPLOYMENT AND TRAINING SYSTEM

The remaining twenty-two recommendations are actions. Implementation of these recommendations specifically address goals for improving the current employment and training system in Texas and, for the most part, can be implemented without legislative action:

- INTEGRATED SERVICE DELIVERY

Short-Term

1. Through immediate Executive Order, require joint planning and policy development by governing/advisory bodies and executive staff of all state agencies which administer work force development programs. This joint planning process would require the following:

    - development of common eligibility, intake, and assessment processes and forms;
    - combining resources to develop a training plan for front-line workers in work force programs, to enable them to be more knowledgeable of services available and more sensitive to clients;
    - use of common data bases, including student achievement data and labor market information, to be used for planning and evaluation of work force programs;
    - development of an integrated plan to increase the quality and level of supportive services, especially child care and transportation, available to clients;

- Review current performance standards systems for each program and revise such systems to facilitate

  - giving clients access to a "hierarchy" of program services (from basic literacy through occupational skills training);

  - allowing clients to enter the work force development system at multiple points and obtain services appropriate to their needs; and

  - allowing respective programs to take "credit" for appropriately meeting client needs.

2. Through the same Executive Order, direct agencies and boards to examine all state requirements not mandated by federal law or regulation to ensure that such requirements are supportive of safeguarding public funds and/or customer friendly, integrated service at the local level: abolish those requirements not meeting these criteria.

3. Encourage, through the use of discretionary funds in the Carl Perkins Vocational Education and Applied Technology Act, Adult Education, JTPA, and other relevant programs, the expansion of local pilot and demonstration projects, such as the QUEST program in San Antonio, for integrated "one-stop" shopping. Publicize the Governor's support and disseminate successful pilots as Governor's Models, with encouragement and incentives for statewide implementation.

Long-Term

4. Take full advantage of the Governor's authority under the JTPA amendments to consolidate relevant governing and advisory boards into a single Human Resource Investment Council.

5. Use the Office of State-Federal Relations to coordinate and promote efforts to change federal laws and regulations that impede coordination and add unnecessary administrative burdens and paperwork at the local level.

- BUSINESS/GOVERNMENTAL PARTNERSHIP

Short-Term

6. Call upon the human resource directors of major Texas companies to determine the feasibility of businesses volunteering their excess training capacity to train unskilled workers, and, if feasible, initiate this program through convening CEOs to launch the "Texas Alliance of Business and Government to Train Our Work Force."

7. Identify companies such as USAA, Motorola, Bell Helicopter, AT&T, IBM, Texas Instruments, and Amoco, which are recognized for their outstanding employee training programs, and then showcase these companies and their training

programs at a symposium or some other forum designed to promote active work force training throughout the State.

8. Provide evidence of the Governor's commitment to forging a partnership with employers to provide skills upgrading to employees. For example, reinforce the Texas Department of Commerce's (TDOC) Quality Texas Program by offering training seminars on how businesses, particularly small businesses, can provide "work place effectiveness" training to employees.

Long-Term

9. Direct the Texas Department of Commerce, the Texas Education Agency, the Texas Higher Education Coordinating Board (THECB), and the Texas Employment Commission to establish a "brokering" program whereby businesses may receive customized access to training and related services of government without being subjected to the red tape and bureaucratic detail associated with multiple funding sources and federal regulations.

This program could be expanded to provide a linkage between small businesses in need of training and large businesses with excess training capacity, and to provide information and technical assistance to small businesses on how to evaluate and provide services to meet the training needs of employees.

- PROGRAM DEVELOPMENT AND QUALITY

Short-Term

10. Through Executive Order, direct the Texas Department of Commerce, the Texas Education Agency, the Texas Higher Education Coordinating Board, and the Texas Employment Commission to propose a plan for statewide school-to-work and other transition assistance programs. The plan should include the following:

    - Active involvement of private sector and labor representatives as equal partners in all aspects of this initiative.
    - Coordination of the State's resources to allow a "one-stop" approach to allow laid off workers to develop a plan for their return to full employment and receive all services needed to implement the Plan.
    - Use of Skill Centers and other alternative learning environments for school dropouts and others who need to complete high school and/or improve their basic skills in order to get a job or keep a job.
    - A youth apprenticeship system designed to provide youth with the competencies necessary to compete in a high skill, high wage labor market.

11. Direct all agencies serving offenders to actively participate in the planning process currently underway in the Criminal Justice Division of the Governor's Office for the development and implementation of a comprehensive "prison-to-work" transition program for the state.

12. To avoid waste and insure maximum utilization of state-funded schools and colleges, direct the Texas Education Agency and the Texas Higher Education Coordinating Board to efficiently utilize excess capacity within the school system

by making existing unused facilities and classrooms available to all ages through extended weekday and weekend hours.

Long-Term

13. Support state legislation that would allow alternative schools offering accredited or high school equivalency instruction to collect the average daily attendance funds that normally go to school districts if a dropout successfully earns a diploma or its equivalent in the alternative school setting.

14. Introduce legislation to require TEA and THECB to approve and give funding priority to comprehensive programs of study for occupations in those high skill industries and occupations identified by the Texas Skills Development Program and regional Quality Work Force Planning Committees.

15. Direct the TEA, THECB, TDOC, and TEC to jointly and systematically investigate effective curricula and successful approaches to providing the future and current work force with *"work place effectiveness skills" or "work place basics"* (emphasizing communications, teamwork, problem-solving, analytic abilities, etc.) and propose ways to effectively teach these skills in our training institutions and company training programs.

- ACCOUNTABILITY AND STANDARDS

Short-Term

16. The Governor's Office should evaluate the performance measures submitted by relevant state agencies in the strategic planning and performance-based budgeting process according to the relevance of each measure to a high wage, high skill strategy for the State.

17. The Governor, Lieutenant Governor, and Comptroller should report to the public the results of the current strategic planning and performance-based budgeting process and the actions taken by government to remedy inadequate performance by State agencies.

18. To allow the state to assess the true impact of federal programs, the Office of State-Federal Relations should work to influence federal legislation to require common/complementary outcomes and benchmarks for federal work force development programs.

- RESOURCE ALLOCATION

19. The State should establish a permanent source of sustained funding, such as the *Smart Jobs Fund*, to assist employers in training the active work force and to serve as an incentive for business location in Texas.

20. The State's economic development resources should be increased, to ensure that job-ready trainees can be placed in employment at wages commensurate with their skill levels.

21. The level of resources for teaching literacy, basic education and general employability skills to adults, dropouts, and others in need of such skills should be increased and redistributed from other sources, such as vocational education.

22. Measures which support improved child care and transportation systems within the State should be promoted, to enable trainees and employees to have the necessary support to remain in training and/or jobs.

III. DOCUMENTATION AND ANALYSIS

III. DOCUMENTATION AND ANALYSIS

A. LITERATURE REVIEW AND ANALYSIS OF TEXAS' STATUS

1. National Literature

Three main studies have been the most influential in forming the current discussion regarding the quality of America's work force and the ability of the United States to compete in a global economy: *Workforce 2000*, a research initiative of the Hudson Institute published in 1987; *The Forgotten Half: Non-College Youth in America* and *The Forgotten Half: Pathways to Success for America's Youth and Young Families*, a two part study issued in 1988 by the William T. Grant Foundation Commission on Work, Family and Citizenship; and the previously referenced *America's Choice* report.

Together, these studies have been instrumental in raising public awareness not only about the need for America to substantially re-think the way we go about preparing young people for work, but also about the need for businesses to better utilize and expand the capacity of the active work force. An overview of these three studies is provided below. The primary source for the summaries and discussion presented is a June, 1991 publication, *States and Communities on the Move: Policy Initiatives to Create a World Class Workforce.*

a. Workforce 2000

Workforce 2000 was one of the first reports to argue that there is a growing mismatch between the skills of the work force and the jobs of the future. This conclusion was based on the Hudson Institute's predictions that in an environment of substantial economic growth from 1987 through the remainder of the century, three other trends would prevail:

> Changing Composition of the Work Force: The work force would grow more slowly than at any other time in the past, and become proportionately more female, older, and more disadvantaged. White males will comprise only 15 percent of new entrants to the labor market in the year 2000, as opposed to 47 percent in 1987.
>
> Service Industry Growth/Manufacturing Decline: The percentage of manufacturing jobs would continue to decline. Whereas manufacturing had accounted for 21 percent of all goods and services in 1985, it will probably drop to 17 percent in 2000 if the trends continue.
>
> Increased Demand for Higher Skills in Growing Service Sector Jobs: The fastest growing demand will continue to be in professional, technical, and sales fields requiring the highest education and skill levels. The unemployment rate for unskilled workers will increase while that for the most skilled and educationally advantaged will decrease. While 40 percent of today's jobs are in low skill occupations, only 27 percent would fall in that category in the year 2000. Concomitantly, jobs in high skill occupations would rise from 24 percent to 41 percent of the work force. The mean years of education required for employment is projected to rise to 13.5 years.

Though there has been considerable controversy over the interpretation of the data presented in *Workforce 2000* about the existence of a skills shortage in the United States, one implication has not been disputed: that there will be an increasing gap in income between less and more educated workers. Similarly, the *Workforce 2000* recommendation

to improve the standards within our educational system and the overall quality of preparation for work is consistent with the recommendation of virtually every other prominent study on this subject, even among authors who dispute the skills shortage thesis.

b. The Forgotten Half

The *Forgotten Half* studies, prepared in 1988 by the William T. Grant Foundation Commission on Youth and America's Future, were particularly important in focusing the nation's attention on a group that had previously fared reasonably well in the American labor market: the approximately 20 million 16 to 24 year olds who will never attend college. Those in this "forgotten half" are likely to end up on the bottom rung of the economic ladder. The Commission found that, increasingly, young people with a high school diploma or less have limited work opportunities, even though they are a diverse and often successful group of people – "not a generation on the skids ... overcome by drugs, crime, teenage pregnancy and alienated from adults."

According to the Commission, less-educated 16 to 24 year olds are being forced to fight for good jobs in a pool of low-paying, part-time, dead-end employment opportunities. The study attributes much of the problem for this group to a decline in better paying manufacturing occupations that had been widely available to high school graduates until the end of the seventies. Further documentation of the decline in income for the less

educated is provided in *The Forgotten Half's* summary: male workers ages 20 to 24 earned fully 25 percent less in real 1986 dollars than their identical age group earned 13 years earlier.

The study goes on to say that, "what these young people need is greater attention, respect and resources from government, schools and the business community." It also asserts that the traditional education system, by focusing primarily on those who go to college, has largely ignored the needs of those who do not.

The Grant Commission recommendations focused on improving and expanding successful programs, giving greater financial assistance in obtaining education and training beyond high school, and developing incentives to business, labor, and education to help youths make the transition from school to work.

c. America's Choice

America's Choice supports many of the findings and recommendations of the other two studies. In addition, it recommends a comprehensive strategy to reverse the decline in earnings in the United States. This work begins by posing the following problem:

> "Since 1969, real average weekly earnings in the United States have fallen by more than 12 percent. This burden has been shared unequally. The incomes of our top 30 percent of earners increased while those of the other 70 percent spiraled downward."

It goes on to argue that the productivity of the work force must be improved if the standard of living of Americans is to be maintained, let alone improved. For productivity growth to be improved, every member of the work force must produce more products and services. Productivity relative to wages can be accomplished either by cutting wages or by improving the capacity of workers through education and training and reorganizing work. The first strategy will not succeed, according to *America's Choice*, because low wage countries already can use the same machines and still sell their products far more cheaply than we can. The second option - education and training and the reorganization of work - is presented in the studies as the only route to prosperity. Businesses would have to be organized to facilitate decision making by front-line workers who, in turn, must be educated and trained sufficiently to function in high performance organizations.

The study then goes on to point out, however, that this type of business environment is rare in America today: "Most American businesses utilize out-of-date mass production techniques that make them less competitive in the world market. They do not place a high premium on educational achievement in filling front-line jobs, and they do not invest heavily in training."

America's Choice further maintains that schools have failed to set high achievement standards for young people who will not pursue a college degree. Schools also have failed to establish a coherent, pervasive system for assessing educational and learning

gains against workplace standards. In fact, according to the report, "America may have the worst school-to-work transition system of any advanced industrial country."

America's Choice made five recommendations which are essential to a high skill, high wage strategy:

> A new educational performance standard should be set for all students, to be met by age 16. This standard should be established nationally and benchmarked to match the highest in the world.
>
> The states should take responsibility for assuring that virtually all students achieve the Certificate of Initial Mastery. Through the new local employment boards, states, with Federal Assistance, should create and fund alternative learning environments for those who cannot attain the Certificate of Initial Mastery in regular schools.
>
> A comprehensive system of Technical and Professional Certificates and associate degrees should be created for the majority of our students and adult workers who do not pursue a baccalaureate degree.
>
> All employers should be given incentives and assistance to invest in the further education and training of their workers and to pursue high productivity forms of work organization.
>
> A system of Employment and Training Boards should be established by federal and state governments, together with local leadership, to organize and oversee the new school-to-work transition programs and training systems proposed.

The *America's Choice* strategy to better train the work force and, perhaps more importantly, to reorganize work in America is widely accepted in the literature. While most publications agree that the reorganization of work is essential, not all agree that the skills or productivity of the American worker is or will be a primary issue. The main causes of economic decline, in these alternative views, are short-term corporate profit-taking orientation, national economic policy conducive to exporting jobs overseas, and

the lack of employer investment in worker education and training. A *Newsweek* article by Marc Levinson (June 8, 1992) asserts that even competitiveness is not the issue and that such practices as "abandoning low profit product lines, computerizing equipment, and taking labor intensive operations overseas all make the economy more efficient." A more "efficient" economy, however, does not necessarily mean more and better jobs. Interestingly, Mr. Levinson concludes by posing the following as the remaining issue we must address: "Finding ways to take advantage of [laid-off, unemployed workers] abilities may be America's greatest competitive challenge."

Effective use of the abilities of laid-off workers, the future work force, and the active work force depends on making education and training available to help people make the transition into viable employment. *America's Choice,* in pointing out that more than 70 percent of the jobs in the year 2000 will not require a college degree, focuses its recommendations on training the people needed to fill those jobs. Another article, entitled *The Myth of the Coming Labor Shortage: Jobs, Skills, and Incomes of America's Workforce* by Lawrence Mishel and Ruy A. Teixeira of the Economic Policy Institute, maintains that "the point of improving work force skills should not be to 'match' the skills required for an improbable future explosion of professional/technical and other high skill jobs, but rather to provide a solid base of work force quality upon which high

performance work organization can be pursued." The article concludes that the most important challenge is to improve the jobs, pay, and skills of the non-college educated work force. That includes, for the most part, the many workers dislocated from factory jobs.

While there is much disagreement among economists and social theorists about the causes of and implications in our declining standard of living, there is considerable agreement about the solution: institute quality education and training programs to help the 70 percent whose incomes are declining and change the organization of work. This is a realistic view; it advocates providing even the most disadvantaged with the foundational skills and solid career paths to give them access to the "smart jobs" of the future. It recognizes that the "70 percent" (low and middle income families) are increasingly "in the same boat" when it comes to succeeding in the labor market today and tomorrow.

2. Application to Texas

One may ask how relevant the arguments and recommendations of *America's Choice* are to Texas. Recent labor market information from the TEC and the Comptroller's Office provides some insight into Texas' current and future labor market trends. TEC's October, 1991 issue of *Pulse* states that in Texas between 1984-1990, a worker's real wages, with inflation considered, declined by about five percent. Much of this decline

is generally attributed to the shift from manufacturing to service and retail jobs. Over the 20 year period from 1970-1990, manufacturing jobs as a percent of non-agricultural employment in Texas fell from 20 percent to 14 percent. In the same period, services and retail trade jobs rose from 33 percent to 43 percent. "More significantly," according to *Pulse*, "manufacturing jobs in 1990 paid an average of $546.15 per week. The growing services sector paid $406.76, and retail trade jobs averaged only $240.11 per week." Although data are not available to document a trend, other possible reasons for decline in average weekly wages involve the wage shifts within the service sector industries from high or mid to lower paying jobs.

While education still offers protection against both wage loss and unemployment and, while highly skilled occupations represent some of the fastest growing jobs in terms of percentage, there are still large numbers of jobs being created in the lower skill occupations. By the end of the eighties, according to the *Pulse* report, service-producing industries had created 1.4 million new jobs, employing eight of ten Texans, but with an average weekly wage of only $406.36. Three categories of service industry jobs - health services, business and repair services, and eating and drinking establishments - generated almost half the job gains for the state. Translated into an occupational framework, the following chart accounts for about half of the net job gain in the eighties.

OCCUPATIONS ADDING THE MOST JOBS 1980 - 1990 STATE OF TEXAS	
Janitors & Cleaners	55,365
Cashiers	52,000
Secretaries	49,990
Food Preparation Workers	46,650
Registered Nurses	41,035
Cooks	39,680
Waiters/Waitresses	33,765
Teachers, secondary	25,000
General Managers	24,670
Teachers, elementary	23,210
Nursing Aides and Orderlies	23,015
General Office Clerks	22,350
Computer Specialists	21,535
Salespersons, retail	21,360
Guards	19,125

Source: Texas Employment Commission

Fewer than half of the new jobs added between 1980-1990 were classified as "managerial or professional" (teachers, nurses, general managers, computer specialists, accountants, auditors, etc.), but many do require some specialized training or skill. Using ratings, by occupations, of the mathematics, reasoning, and language proficiencies required for given jobs, the *Pulse* report concludes that, even though the largest percentage change in employment was in occupations within the higher knowledge base, and a greater number of jobs were created in high skill jobs, it remains the case that almost 40 percent of growth was among occupations within the lower one-third of the knowledge base required among all occupations. The report goes on to conclude:

> "By 1990, 42 percent of all Texas payroll workers were employed in the bottom third of the knowledge base. That is, just less than half of all Texas workers were [in jobs that required the least training, knowledge or skills -- but that does not imply that the individuals occupying those jobs were actually unskilled or uneducated -- possibly just underemployed."

There may not be clear evidence to show that people in their current jobs have inadequate skills. However, the high dropout rate among youths and functional illiteracy rate among youths and adults in the state point to a bleak future for an unacceptably large portion of the population and call into question the ability of Texas' labor force to compete nationally and internationally for the high wage, high skill jobs.

Recent projections regarding growth in better paying jobs that require higher level skills in the nineties create both optimism about the availability of such jobs and concern about the preparedness of the Texas work force.

Analysis of TEC forecasts by the State Occupational Information Coordinating Committee indicates that one-third of all new jobs in 1995 will require more than two years vocational preparation and that more than half will require at least two years of vocational preparation. Conversely, less than a third of new jobs will be available to those with less than three months vocational training. The following chart illustrates the relationship training will have to both the number of jobs available and wages paid for those jobs in 1995:

RELATIONSHIP BETWEEN TRAINING AND WAGES IN TEXAS

Summary of Employment and Wages of Texas Occupations
Using Dictionary of Occupational Titles' SVPT Education Levels

	Annual Average Openings	% of Total Openings	1995 Employment	% of 1995 Employment	1986 Average Wage
Level 1	396	0.11%	9,270	0.10%	$ 5.36
Level 2	39,920	10.66%	945,700	10.47%	$ 6.36
Level 3	76,485	20.43%	1,805,990	19.99%	$ 7.03
Level 4	48,897	13.06%	1,167,070	12.92%	$ 7.61
Level 5	28,303	7.56%	761,070	8.42%	$ 8.31
Level 6	54,071	14.44%	1,245,574	13.89%	$ 8.24
Level 7	84,433	22.55%	2,073,770	22.96%	$10.72
Level 8	41,761	11.15%	1,013,570	11.22%	$14.02
Level 9	110	0.03%	2,660	0.03%	$17.40
TOTALS	374,376	100.00%	9,024,674	100.00%	$ 8.96

SPECIFIC VOCATIONAL PREPARATION TRAINING LEVELS (SVPT)

Level 1	Short Duration, Brief Demonstration
Level 2	Anything Beyond Short Demo. Up To/Including 30 Days
Level 3	Over 30 Days Up To/Including 3 Months
Level 4	Over 3 Months Up To/Including 6 Months
Level 5	Over 6 Months Up To/Including 1 Year
Level 6	Over 1 Year Up To/Including 2 Years
Level 7	Over 2 Years Up To/Including 4 Years
Level 8	Over 4 Years Up To/Including 10 Years
Level 9	Over 10 Years

Source: State Occupational Information Coordinating Committee and TEC

The July, 1992, *Fiscal Notes* published by the Comptroller's Office, further supports the need to train and educate the work force not only for the nineties but well beyond the year 2000.

> "Past growth in low-skill jobs far outnumbered that in high-skill jobs. But the next 35 years could see that trend reversed, if investments are made in education and jobs training. An estimated 30 percent of new jobs created by 2000 will require at least a college diploma; another 22 percent will require some college. High school dropouts will be able to fill only 14 percent of new jobs."

A strategy which focuses on training people for the high skill, high wage "smart" jobs of the future is our only chance of reversing the current decline in real income for the majority of our work force. This approach challenges us to set world-class standards for our schools and training institutions and our work force. A quality education system and a well-trained work force create the environment for retaining, attracting, and sustaining industries and organizations which pay high wages for qualified workers. Thus, by increasing the productivity of the work force, our standard of living will rise, the earnings gap will close, and our competitive edge will sharpen.

The old practice of offering high wages for low skills is no longer economically feasible due to foreign competition. If we continue our current path rather than consciously designing education and training to meet high skill demands, workers -- especially that 70 percent whose incomes have been in decline -- face a long-term struggle to make a decent living.

This is especially true for Texas in light of the current and anticipated defense cutbacks and related mass layoffs that have occurred in this State. In addition, the North American Free Trade Agreement (NAFTA) likely will result in both job loss and job creation -- the losses primarily in traditionally low paying jobs in the garment industry

and agriculture. Garment workers, for example, will need to be educated and trained in ways that will, over time, enable them to assume jobs requiring more and better skills than required in their previous jobs.

Obviously, not everyone will get one of the "smart jobs;" but, nonetheless, we must establish an environment in which everyone has access to the foundational education and training necessary to perform in a "smart job." Improving the quality and standards within our educational system will benefit all, regardless of the level at which each enters the labor market. The high wage strategy described in *America's Choice* includes using community facilities and support systems to actively assist those who do not meet the standards. It recommends creating coherent school-to-work and apprenticeship programs for those who do not seek a baccalaureate degree. This approach builds an infrastructure through which more may succeed rather than a maze from which the well-to-do escape through higher education and which the remainder must either outwit or endure, often without significant progress.

B. ESSENTIAL ELEMENTS OF A WORLD-CLASS WORK FORCE DEVELOPMENT SYSTEM

The recommendations from *America's Choice* (see previous section) are written largely from the perspective of what the nation needs to do to implement a high skill, high wage strategy. These obviously must be modified according to the unique characteristics of each state. The approach used in developing this Plan was to first examine what we have in place in Texas and then to assess it against what is required for a systematic approach to developing a world-class work force within the context of a high skill, high wage strategy as portrayed in the literature and in other states' approaches.

1. State Initiatives

States and Communities On The Move: Policy Initiatives to Create a World Class Workforce (*Communities on the Move*), a recent report co-published by fourteen organizations that responded to the three studies described above (*Forgotten Half*, *America's Choice*, and *Workforce 2000*), highlights and categorizes an array of state initiatives to create a world-class work force. The study presents examples of state and community initiatives grouped according to the key elements of a comprehensive work force development strategy.

These key elements or categories include:

1. coordinated human investment planning bodies;
2. school-to-work employment transitions;
3. student apprenticeship;
4. technical preparation (Tech Prep);
5. youth community service;
6. employers as active partners in education and training;
7. alternative learning centers;
8. new pathways to post-secondary education; and
9. creative funding mechanisms for human investment.

While numbers two through nine in the above list usually refer to specific programs or initiatives, these often are created as part of a comprehensive policy approach. The reader is referred to the *Communities on the Move* publication for a thorough discussion of items two through nine above. Item number one -- human resource planning bodies -- however, is discussed at more length here.

There is considerable variation in both the role and function of state level human resource planning bodies. In some states, the bodies include all human resource programs and in others they are limited to adult education, vocational education, job training, the employment service and other programs concerned with employment preparation. In some cases, state agency consolidation or merging occurs at the same time as or shortly following the creation of coordinated planning bodies. The State of Massachusetts distinguished itself as early as 1988 by establishing the MASSJOBS Council (a policy and coordinating body for all work force development programs) and by setting up Regional Employment Boards. Their summary of various state efforts is attached as Appendix B to this document. This information in Appendix B is especially

important for its discussion of the barriers to successful implementation.

The Center for the Study of Human Resources at the University of Texas has also produced a review of other state efforts entitled *Integrating Human Resource Programs: Recent Experiences of Five States.*

The State of Oregon has perhaps the most ambitious and comprehensive approach involving a major reorganization of state government. The Oregon Quality Work Force Council was established in law to address the larger Oregon Progress Board's objective of having "the best educated and prepared work force in America by the year 2000."

In Indiana, the Governor, through Executive Order, merged three state agencies and created an Indiana Department of Workforce Development, consolidated at the state level. Though this action was preceded by some tumultuous years when a previous Governor merged the Employment Service and JTPA, Indiana has been successful in establishing "one-stop shopping" delivery of work force development program services in some locations.

New York State created a Human Resource Investment Subcabinet to plan and implement the "Gateway Initiative." This initiative tests pilot programs for integrated service delivery through local Customer Service Centers which provide clients with information about all employment and training programs and services.

Texas has not established a state level planning and policy body for work force development programs. Three reports, however, prepared by The University of Texas Center for the Study of Human Resources, have examined relevant federal statutes and approaches of other states. The Center's final report presents a "blueprint" for an integrated work force development system in Texas. This study begins with the assumption that integration of programs will produce improved efficiency both economically and programmatically, and will result in better quality and more appropriate services to the client. However, the study also notes that no state has yet implemented such a system. (McPherson, *Building an Integrated Workforce Development System for Texas: A Radical Blueprint for the Future*, Center for the Study of Human Resources, University of Texas at Austin, April, 1992).

McPherson proposes a "State Human Resources Superstructure," to include a comprehensive planning and budgeting approach which would divide human resource policy into four areas -- health, education, work force development, and income assistance. A single state agency would administer the programs that fall under each area. He also describes a system in which a Human Resources Executive Policy Council, responsible for planning, budgeting and policy development, would work to coordinate program planning cycles as well as management and state agency roles. A Human Resources Professional Institute to train professional staff in new roles and skills would be critical to the success of the entire proposed approach.

The work force development component of this system would be comprised of a single state commission for administration of work force programs, consolidation of state work force advisory councils, and an integrated MIS system for all programs. The local management system described would be overseen by local work force development councils which would determine local need and plan resource allocations. The local delivery system features a network of Worker Development Centers that would perform intake, assessment, training referrals, and case management services for clients, but would not provide education, training, or placement services directly.

This arrangement represents a key change from the current system in which service providers themselves often perform intake and counseling services, and help the client decide what type of institution and training is needed. Under the current system, there is a natural tendency or temptation to refer a client to a training provider's own services. Even administrative bodies who perform the training referral function may be tempted to send participants to classes that need to be filled under existing contracts or to programs that would enable the administrative entity to meet its own performance standards. To better ensure the most appropriate training for the client, the proposed model utilizes individual referral with payment based on services received by the individual as an alternative to contracts with local providers to operate complete programs.

The model proposed in the University of Texas study referenced above describes a conceptually comprehensive approach which integrates most of the principles associated with a state-of-the-art work force development system. The remaining questions focus on the practical and political feasibility of such a complex model within the myriad constraints posed by various fragmented and sometimes conflicting sets of federal regulations.

Throughout *Communities On the Move* and other publications, it is noted that states must carefully consider their particular form of government, legislative environment, and employment and training delivery structure, as they develop their plans to move the work force agenda forward.

Newly passed JTPA amendments would allow the Governor to consolidate various planning and advisory boards for work force development programs, and the recommendations presented earlier in this report support that action in Texas.

The Massachusetts study referenced earlier provides the following guidance to other states as they consider restructuring efforts:

- The basic principles guiding a restructuring effort should be developed prior to instituting major organizational changes at either the state or local levels.
- The anticipated benefits of a restructured system should be stated from the outset and they should make sense to both internal participants within the system and end-users of the system's services.

- Responsibility for program administration within a restructured system should be based on a rigorous analysis of the primary mission and core functions of existing programs.

- Restructuring should be based on consensus and a shared vision among key stakeholders.

- Responsibility for overseeing restructuring efforts from a policy level should be centralized in a body that includes key executive and legislative branch officials, important state and local stakeholders in the system, and representatives of the system's end-users.

- Progress on implementing restructuring efforts should be regularly reviewed by all major participants within the system, and strategies should be modified according to the results achieved and lessons learned at each review.

2. National Initiatives

a. High Skills Competitive Work Force Act of 1991

This legislation, offered by Senator Kennedy of Massachusetts, was introduced as the implementation piece in response to the findings and recommendation in *America's Choice*. The legislation proposes to allocate funds to the states for the purpose of establishing statewide systems for the coordinated administration of federal, state, and local employment and training programs. This program would provide federal "start-up" grants to the states for:

- Common location/access to programs and services
- Standardized intake and assessment
- Standardized data reporting systems
- Common performance and accountability measures
- Common labor market information and job matching services.

A summary and analysis of this legislation, prepared by the Work Force Development Division at the Texas Department of Commerce is presented below:

> The High Skills, Competitive Work Force Act (Act) proposes to stimulate state/local government and the private sector to significantly improve the education and training of the United States work force. The Act sets forth a framework for national strategies and policies designed to enable America to excel in global economic competition. The summary of activities under this Act are:
>
> > Standards of Excellence in Education and Training, Title II ($30 million) — Provides for the development of a voluntary system of occupational certification. Title II will establish a National Board and advisory committees for major industries and occupations that cut across industries and trades. The committees will be responsible for the development of occupational proficiency standards, competency assessments, and curricula.
> >
> > Observation: Title II of this Act will be administered through the Office of Educational Research. The mission of the advisory committees will be to develop a system of industry-based, occupational proficiency standards and certifications of mastery for occupations within each major industry and occupations that involve more than one industry. It appears that the purpose and mission of Title II of the Act is comparable to the existing goals/objectives of the Texas Quality Work Force Planning initiative. A content review of this legislation and the Texas initiative is advised to determine the extent to which Texas is positioned to garner the most support from Congressional trends/policy.
> >
> > School-to-Work Transition, Title III ($435 million) — Creates a nationwide system of school-to-work transition programs. Components of Title III include Career Preparation Programs, Community Youth Employment Compacts, Youth Opportunity Centers and technology education. Career Preparation Programs will expose students in ninth and tenth grades to several years in a combined academics and on-the-job training curriculum designed to impart proficiency in specific occupational skills. Community Youth Employment Compacts will provide incentives to schools, businesses, and community organizations who cooperate in finding part-time and summer jobs for high school students. The Youth Opportunity Centers will provide student dropouts with alternative paths to successful participation in the work force. Services provided by the centers will include academic preparation leading to certifications; personal, academic, and job counseling; skill training including on-the-job training; access to a full range of social support services; access to paid work experience; and opportunities to participate in community service, athletics,

and recreational activities. Technology Education and Partnership Programs will sponsor the development of technology curricula for seventh through twelfth grades.

Observation: Title III of the Act will be administered by the Secretary of Labor. Career Preparation funds will primarily be used to plan, establish, support, and evaluate career preparation programs. Community Youth Employment Compact entities may include PICs "or a new entity established to serve an appropriate labor market." Youth Opportunity Centers, established to serve dropouts, will be funded at the state level. The state must make available to the centers an amount equal to 100 percent of the average per pupil expenditure from state sources for students attending public secondary schools in the State. PICs are also recognized as operating entities for these programs. Waivers to combine other federal funds are allowed.

The program applications portion of this Title is "weak." Discussions surrounding the School-to-Work and Tech-Prep initiatives in Texas appear to be far more evolved than the legislation. However, this legislation is more of a "systems" initiative and does not represent an operational approach to solving education issues. The Youth Opportunity Centers may provide a nationally recognized alternative to providing educational access for dropouts. Mandating federal/state dollars to follow these youth will positively impact the education, employment and training system's ability to adequately serve this critical population. Labor's involvement in the administration of this Title and emerging language in the JTPA Reform Amendments make a strong case for the State to move forward in emphasizing skill training and job preparedness as a centerpiece for educational reform in Texas.

High Performance Work Organization, Title IV ($40 million) — Proposes to stimulate the private sector to provide increased worker training and shift American industry to high performance work organizations. Grants will be made to the states to disseminate information on successful work organizations, training models, and provide technical assistance to aid in establishing high skills training programs.

Observation: Title IV of the Act will be administered by the Secretary of Labor. In awarding grants the Secretary will give priority to entities that emphasize small businesses and involve state economic development agencies. The expansion of the Texas Quality Work Force agenda to incorporate similar strategies may benefit the agency in available federal dollars and by linking JTPA with economic development.

High Skills Training Consortium, Title V ($25 million) — Will establish High Skills Training Consortia consisting of companies operating within the same industry or utilizing similar technologies.

Observation: Title V of the Act will be administered by the Secretary of Labor. During the last special session of the Texas Legislature, the agency initiated legislation for the establishment of an industry training consortia. Most recently the Governor has directed the Texas Department of Commerce to establish a Texas Skills Development Program for the purpose of identifying employability standards and work place training among consortia of business and industry.

State and Local Employment and Training Systems, Title VI ($50 million) — Will encourage the establishment of statewide systems for the coordinated administration of federal, state, and local employment and training programs.

Observation: Title VI of the Act will be administered by the Secretary of Labor. This Title will provide federal "start-up" grants to the States for:

- Common location/access to programs and services
- Standardized intake and assessment
- Standardized data reporting systems
- Common performance and accountability measures
- Common labor market information and job matching services

In order to receive funds under this part, the states must form regional employment and training boards. Although PICs are not specifically named as eligible to become such a board, the composition of both are similar. Each board must develop a strategic plan concerning the human resource needs in the region. This legislation may provide the Texas Human Investment System the much needed boost in dollars and policy direction to move the initiative beyond the initial planning stage.

The Kennedy bill utilizes the approach of federal "start-up" grants to states to begin implementation of different aspects of the high skill, high wage strategy, including grants to promote high performance work organizations and the development of voluntary national occupational proficiency standards, competency assessments, and

curricula across a range of industries. The Bush Administration's Job Training 2000 initiative also addresses occupational standards and has implemented a national effort to develop such standards. However, the Job Training 2000 initiative, and the legislation in particular, focuses primarily on comprehensive restructuring of the current system.

b. Job Training 2000

The Job Training 2000 initiative, introduced by President Bush on January 17, 1992, and proposed in the form of national legislation in April, represents the administration's response to the inefficiency of the current system and the need for a globally competitive work force. According to the White House press release, "the current maze of more than 60 vocational and job training programs administered by seven Federal agencies at a cost of approximately $18 billion each year is inefficient, complicated and lacks accountability." The approach taken by the Bush Administration was to amend major vocational, adult education, job training, and other work force development legislation to combine state level advisory boards, increase the authority of modified and expanded JTPA Private Industry Councils to cover additional work force programs, and to hold PICs responsible for enforcing new accountability standards for vocational training. The following programs would have to meet the PIC certification standards in order to receive funds: vocational training under Title IV of the Higher Education Act, dislocated

worker and programs for economically disadvantaged under JTPA, JOBS program for welfare recipients, vocational rehabilitation, veterans vocational programs, Refugee Assistance programs, and some Trade Act and higher education loan programs.

PICs also would be responsible for setting up skills centers to serve as "one-stop shopping" points from which clients can access a full range of government funded vocational programs. The skills centers themselves would offer skills assessment and testing, referral services, labor market information, job placement assistance and vocational education counseling. However, most of the training would be provided through vouchers issued to participants for programs certified by the PICs to meet specified standards of accountability. The various programs covered by the Act would be required to fund and participate in the skills centers.

While most of the major work force programs are covered by the standards to be enforced by the PICs, the programs subject to the vouchering system include only JTPA programs for economically disadvantaged and dislocated workers, some Perkins post-secondary vocational training, and the Food Stamp Employment and Training program. Interestingly, the original legislation amended the Carl Perkins legislation to allocate post-secondary vocational education funds to PICs according to the JTPA formula for distribution of funds to PICS and to require participants to meet JTPA economically

disadvantaged income criteria. Recently, however, Region VI Department of Labor issued an update indicating that "the administration agreed to a revised version deleting the transfer of postsecondary vocational education funds to PICs to use for vouchers."

Historic turfism among groups to be included in the comprehensive coordinated system is probably the first political barrier; it is probably not the last. The legislation itself does not, by and large, modify existing programs enough to give the state or local boards substantial control of policy or resources to ensure integrated program delivery. For example, the proposed legislation requires that the Secretary of Education, "in consultation" with a federal interagency council, prescribe performance standards for vocational programs. Though the law requires standards that include placement, retention, and earnings of graduates, there is no real authority to assure that those standards are meaningful.

Even the certification authority of the PICs is compromised by the requirement that the state agency currently responsible for approval of programs under Title IV of the Higher Education Act also must approve all training programs under the PICs' authority. Further, that agency is required to issue "guidelines" for procedures to be used by PICs for the certification process. Thus, the proposed legislation, in effect, puts authority for standards and certification largely with the education system, which traditionally has not been known for requiring high standards for the vocational education system.

The proposed legislation also sets up a Federal Vocational Training Council consisting of the national Secretaries of Labor, Education, Health and Human Services, Agriculture, and Veterans Affairs to promote consistent policy and information exchange. Though this council is given authority to waive certain regulations, it cannot alter eligibility requirements or fund allocation -- two potentially powerful tools for successful program integration. While these exceptions are understandable, in effect they do more to maintain the "status quo" in employment and training programs than to challenge or change it. President Bush's overall Job Training 2000 initiative encompasses other internationally recognized elements of a world-class work force development system - including school-to-work transition, apprenticeship, and occupational standards set by industry, education and labor. Some limited funds are available in all of these areas for demonstration projects.

The Job Training 2000 initiatives and the Kennedy bill, though certainly written from different points within the political spectrum, both attempt to reinforce the common principles and attributes that states and the national literature have defined as characteristic of world-class work force development systems:

- Significant private sector role in public/private partnership
- Planning bodies to coordinate administration of work force programs at the state and local levels.
- Common location/one-stop access to programs and services.
- Improved performance and accountability measures.

- Learning or skills centers for dropouts and other youth who need assistance in the transitions to productive employment.
- Common labor market information and job matching services.
- Skill standards for technical/vocational education and training.

A very recent publication (May, 1992) from the National Alliance of Business entitled *Building A Workforce Investment System for America* reviews national, state, and local initiatives and draws very similar conclusions regarding the characteristics of an effective system.

C. INVENTORY METHODOLOGY AND ANALYSIS OF TEXAS WORK FORCE PROGRAMS AND RESOURCES

The first step in developing the Smart Jobs Training Plan was to identify and catalog the State's work force development resources. Once developed, this inventory of resources provided a mechanism for assessing and identifying what Texas needs to do or improve in order to close the gap between what we have now and what is needed for a comprehensive high skill, high wage strategy for work force development.

1. Methodology

To conduct the inventory, it was necessary to develop the criteria for program inclusion. Staff determined that the overriding criterion for inclusion would be whether the program was significantly directed toward work force preparation and development, the primary purpose of which is to provide skills to prepare individuals to enter, or re-enter, the labor force. For example, whereas K-12 general educational programs would not be included, secondary vocational education programs (the primary goal of which is to provide students with occupational training) would. Similarly, adult education was included in the inventory because, in addition to improving educational opportunities for adults, this program is designed to provide the "educational prerequisites for effective living, gainful employment, and citizenship." (National Literacy Act - Purpose.) A second criterion for inclusion was whether the Governor and/or the State had

significant policy or other authority over the use of the funds. Thus, funds administered from the national level, for example, migrant and seasonal farmworker programs under JTPA, were not included.

The following major steps were taken to develop the inventory of work force development programs provided in Appendix A:

A study entitled *Profiles of Workforce Development Programs in Texas* was used as the initial base to determine which programs would be addressed in the Plan. (University of Texas, May 1992.)

Next, agency heads from the identified programs were convened and asked to complete an inventory of special initiatives, particularly coordination efforts designed to improve employability of clients they serve.

As the initial inventory was developed, additional initiatives and programs were called to the attention of staff. If these programs met criteria, they were included in the inventory.

A larger group, comprised of state agency heads or their representatives, was reconvened to review the inventory and to provide feedback. A few additional programs were included for those agencies that did not participate in the original meetings.

Concurrent with this effort, authorizing legislation for each program was reviewed to determine the following:

- the primary purpose of each program;
- any restrictions associated with the administration of the program, such as whether the program must be administered by a specific state agency or whether funds were by law allocated on some type of needs-based formula;
- the degree of authority the Governor and/or state legislature has over the program.

During the course of gathering information for the inventory, many obstacles to the creation of a comprehensive system became apparent. For example, because some of the work force development programs operate on a federal fiscal year basis (October 1 - September 30) and others operate on a program year basis (July 1 - June 30), it was difficult to determine the total funds available for these programs, as well as the total number of participants served in a given time frame. Attempts were made to minimize the disparity between these two time frames, particularly with respect to gathering data on participant service levels.

It also was difficult to determine the outcomes or success of participants served in a given time frame because the administering agencies have different participant tracking systems. For example, although some of the Education System programs track the number of participants who enter employment after completing a vocational education program, their primary focus is on learning gain outcomes such as the completion of a program or the attainment of a credential. Thus, they tend to track only such information. Job training programs, on the other hand, tended to have more employment-related outcomes, such as entered employment, wage at placement, etc. These differences made it very difficult to determine, in any meaningful way, the total number of individuals who entered employment after attending or completing a program.

Moreover, even in those situations where employment data was available, the manner in which this outcome was defined also varied from program to program. For example, in some cases, the outcome "entered employment" meant entering either full- or part-time employment that was either subsidized or unsubsidized. In other cases, "entered employment" meant entered full-time, unsubsidized employment only. Given the fact that these programs varied so extensively with respect to the type and definitions of the outcomes tracked, the only outcome information reflected in the inventory is the number of participants served under each program.

The information obtained from the initial data collection and research efforts was then put into a format which identifies the Purpose, Administrative Entity, Funding Level, Funds Distribution Method, Special Projects/Initiatives and the Number of Participants Served, for each program (see Appendix A). It should be noted that because special projects and initiatives are listed by major program/funding source, those with multiple funding sources will be listed under more than one program. For example, because the State's Quality Work Force Planning initiative is funded by the JTPA 8%, Carl Perkins Secondary, and Carl Perkins Post-secondary funds, it appears under each of these programs. Similarly, the State's "Tech-Prep" initiative has multiple funding sources and thus also appears under more than one of the inventory programs.

2. Analysis

An analysis of the results of the inventory and research showed that the approximately 20 major work force development programs tend to fall within one of the following five categories or systems:

EDUCATION SYSTEM PROGRAMS: (e.g. adult education, vocational education) -- those programs administered by state educational agencies and designed to provide job related education or preparation for job-related education. Success measures typically include learning gains, competency (skill) attainment, and education credentials/degrees.

INTERVENTION SYSTEMS FOR GROUPS WITH SPECIAL NEEDS: (e.g. Job Training Partnership Act (JTPA), Job Opportunities and Basic Skills (JOBS)) -- those programs designed to intervene on behalf of certain populations, e.g. welfare recipients, low income, or handicapped, who have traditionally experienced difficulty accessing and/or being successful in regular education or vocational programs. Success measures are labor market related and typically include job placement, retention, and wage rates.

LABOR EXCHANGE SYSTEM: (Employment Service) – those programs designed to match job-ready job seekers with available jobs. Non-job ready applicants are typically referred to education or intervention system programs. Success measures include individuals placed by the Employment Service (ES), individuals who entered employment, and number of employers who utilized the Employment Service system to hire applicants.

CUSTOMIZED TRAINING FOR BUSINESS DEVELOPMENT: (Worker Incentive Program) – those programs designed to provide specific job training for active and prospective employees to retain current jobs or fill new openings. Success measures include new jobs created, jobs saved or retained, ability of applicants to pass entry tests, and promotion to higher level jobs.

PUBLIC AWARENESS INITIATIVES: those programs designed to increase the awareness of business, labor, education, community leaders, and the public regarding work force development and education reform issues.

It should be noted that the above categories were used to classify programs according to commonality of purpose and expected outcomes or results. Obviously, there is considerable overlap among the five categories and room for argument regarding how programs are classified. However, these categories help us understand why and how the current array of work force programs have become much more of a "maze" than a "system," and why there are frequently "turf" battles among programs which essentially work 1) at cross purposes and 2) toward very different outcomes for their clients. Another value of a classification scheme is that it distinguishes groups of programs according to their unique role in the overall work force development system. The unique characteristics of each usually leads us to also identify the strength of that program and the expertise of its staff. Using expertise is key to developing an effective integrated system at the local level.

The program efforts for offenders and ex-offenders were perhaps the most difficult to categorize. Because the Windham School System programs are self-contained "within the walls" of correctional institutions, and because Windham is a school district unto itself, the programs are more similar to educational programs than to intervention programs. Thus, the decision was made to categorize these programs as educational. Similarly, Project RIO (Re-Integration of Offenders), which provides labor exchange services, as opposed to education and training, to parolees was classified in the labor exchange, as opposed to the intervention, programs, though the RIO program is an advocacy and support effort for parolees.

It is also important to note that over 99 percent of the resources identified in the inventory fall into one of the first three categories: education, intervention, and labor exchange. Thus, this analysis and the discussion of "trends" primarily relate to programs in these three categories.

3. Inventory Results

The major findings associated with the inventory conducted are as follows:

- Over $1.2 billion per year in federal and state funds is spent on vocational education, adult basic education, job training, job placement, and related services.
- Nine separate state agencies administer these programs and over twenty governing and advisory boards oversee them.
- With these dollars, over four million Texans are provided everything from basic reading and writing skills training to highly specialized biomedical training.
- Within these programs, over twenty-six special initiatives aimed at improving the coordination of programs and services are currently underway.

4. Gaps and Current Initiatives to Address the Gaps

In addition to the above major findings resulting from the inventory, several gaps in Texas' current system also were identified. These gaps primarily identify the lack of systematic strategies from the state level for meeting the needs of certain groups of clients or providing certain types of services. In discussing the gaps, this section also

describes current initiatives designed to address those gaps. Initiatives which are important to the implementation of the high skill, high wage strategy are also incorporated into the final recommendations.

a. State-Level School-To-Work Transition Strategy

Although various efforts are underway to develop school-to-work transition programs, there is no cohesive state level strategy. A school-to-work strategy would require the input of a number of agencies, including the Texas Education Agency, Texas Employment Commission, Texas Department of Commerce, and the Texas Higher Education Coordinating Board, as well as considerable collaboration with business, industry, and labor. Considerable interagency work already has been done in defining school-to-work transition and laying some foundations for a state-level strategy. However, the staff groups working in this area have not received the high-level support and direction to carry forward a state-level strategy.

But, significant progress has been made in one area of school-to-work transition: "Tech-Prep" programs. These programs are designed primarily to assist those students not planning to pursue a baccalaureate degree. They establish a continuous curriculum, particularly in the last two years of secondary school and the first two years of post-secondary education, to prepare students to enter the labor market in high demand, well-paying technical fields. Instruction is focused in those areas offering significant

career growth as opposed to "dead-end" jobs. Texas' nationally recognized Tech-Prep initiative is currently being implemented through a tri-agency partnership agreement among the Texas Higher Education Coordinating Board, the Texas Department of Commerce, and the Texas Education Agency. This effort began in 1987 with demonstration curriculum development projects, continued with planning grants in 1991-1992, and implementation grants to 21 programs in January 1992. These programs are currently authorized to continue for four to five years and will be independently evaluated throughout the implementation period.

b. Comprehensive Labor Market Information Strategy

A comprehensive labor market information strategy for a state-level high skill, high wage strategy involves constantly identifying growing and declining industries and occupations.

The State Occupational Information Coordinating Committee is created under JTPA to provide state-level labor market information. SOICC has, in turn, developed the SOCRATES system, a sophisticated automated labor market information system. This system is utilized by Quality Work Force Planning Committees, which are required by legislation mandating regional planning to integrate vocational/technical training in the state's 24 planning regions.

The QWFP planning initiative is a tri-agency effort of the Department of Commerce, the Higher Education Coordinating Board, and the Texas Education Agency. The QWFP committees, composed of one-half business and labor and one-half education representatives, use the SOCRATES system and collect information specific to a region to project employment trends. The QWFP Committees have concentrated on influencing curricula of community colleges to offer courses and coordinated curricula for high demand occupations. The JTPA Service Delivery Areas (SDAs) also depend on the SOCRATES system to target occupations in compliance with the JTPA requirement that only training for demand occupations can be funded. However, there is some overlap between the 34 JTPA Private Industry Councils' responsibility and authority as boards based on labor market regions and the Quality Work Force Planning Committees.

Thus, while Texas has various components of labor market information strategy in place, the relationship of these initiatives and the role and authority of the Quality Work Force Planning Committees and the Private Industry Councils, in particular, needs to be articulated and coordinated. Once these elements are reconciled, state-level governmental leaders need to endorse and support this strategy to ensure that our training dollars are expended on training that will lead to productive employment.

The 24 QWFP regions are consistent with the recent designation of state agency planning regions in response to Section 1120 of Article V of the 1991 general appropriations bill. The Comptroller and the Commissioner of Health and Human Services have recently

recommended ten such regions, with the flexibility for each agency to have up to 24 regions based on the Council of Governments (COG) designation as long as the agency's regions do not cross COG regions. The primary reason that this regional plan was required by the legislature was the lack of consistency in reporting and other information collected by state agencies. This consistency would enable the legislature to both evaluate how State funds are expended as well as the impact of those dollars. Certainly the SOCRATES data base of current labor market information will be a valuable planning tool for the State as agencies, particularly those who administer work force development programs, begin to conform their planning efforts to the designated regions.

c. Systematic Approach To Serving "Hard-To-Serve" Groups

As with the state level school-to-work transition strategy, the inventory revealed that Texas is lacking a systematic approach to serving "hard-to-serve" groups. Yet, virtually every work force development program authorized or amended during the past ten years has required that resources be targeted increasingly to the "hardest-to-serve" within the eligible population. However, there is considerable local-level variation in groups that are "most-in-need." One community may have a large number of dropouts, another offenders, and another welfare recipients. While programs such as JTPA require specific service levels to one or more of these groups, experience shows that decisions regarding "how" to serve these groups can best be made at the local level. The "one-stop

shopping" approach at the local level is seen as an effective mechanism for serving diverse groups as opposed to generating a potentially confusing array of state initiated programs to serve different segments of the "hard-to-serve" population. It is important, however, that state-level policy, performance standards, and sanctions support efforts to train and assist "hard-to-serve" groups.

d. Coordinated Approach To Dropout Prevention and Recovery

The inventory clearly revealed numerous initiatives aimed at dropout prevention. The CIS program administered by the Texas Employment Commission represents the most comprehensive approach statewide. Yet, we lack a statewide strategy for dropout prevention and recovery. A recent report entitled *Putting the Pieces Together: Texas Business and Dropout Prevention* by the Texas Research League describes both the dropout phenomenon in Texas and current efforts to address this critical issue.

In conducting the inventory for this Plan, the Texas Education Agency supplied descriptions of 54 dropout prevention and recovery programs. These descriptions do not represent all of TEA's efforts in this area; there is also a statewide legislative requirement for "at-risk" coordinators in every district and provision of tutoring and other services for "at-risk" students. However, the descriptions from TEA's Dropout Clearinghouse revealed that at least 22 of these programs were funded wholly by JTPA, and an additional 11 partly by JTPA. This situation does raise the question of whether

the education agency is assuming a fair share of the responsibility and funding for dropout prevention efforts in the State. TEA's full participation with other agencies and programs is necessary in order to effectively combat the dropout problem in this state.

Effective school-to-work transition programs would be an important aspect of dropout prevention; at the same time, a system of alternative schools for individuals who need to complete high school or review basic skills is needed. JTPA, primarily through very limited education coordination funds, also has established a network of well over one hundred such alternative settings, many operated jointly with school districts. However, diversified funding, including the State's compensatory education funds, is essential to address the overwhelming need.

It is also critically important to note that structural changes in the way students are counted and the lack of sanctions for districts with large numbers of dropouts need to be addressed if programmatic initiatives are to have a major impact. The recommendations at the end of this report supports such measures to address this current lack of sanctions as well as an interagency approach to dropout prevent and recovery.

e. Comprehensive Work Place Education and Training/Retraining for Employed Individuals

It is very apparent from the inventory that there is almost no public source of funding for comprehensive training for the existing work force. For example, the state-funded $2 million Work Force Incentive Program, administered by the Department of Commerce, trains primarily prospective employees for new/expanding jobs, rather than the active work force.

Because many small- and medium-sized businesses are not able to fund training for their current employees, a growing pool of individuals are not able to attain the education and training needed to upgrade their skills and, thus, to qualify for better paying jobs that require more technically advanced occupational competencies or, in some cases, just improved "basic skills." Businesses will continue to lose their competitive edge unless they can restructure to become high performance work organizations. Both must update the skills of their existing employees in order to do so.

The Department of Commerce, in conjunction with the Texas Employment Commission, has begun an intense investigation of the possible options available to the State to assist businesses in providing customized work force training and in changing or reorganizing the structure of work to improve productivity. The Department of Commerce is coordinating its efforts with the Texas Research League, which will conduct a survey of Texas businesses to determine their perceptions regarding the effectiveness, availability,

and willingness to invest in work force training. A variety of options developed by other states, including tax incentives and loan programs, are being reviewed; options which seem feasible for Texas will be presented to labor and industry advisors before programs are pursued. The results of these efforts are critically important to the implementation of a high skill, high wage strategy in the State.

f. Strategy for Re-Employment of Laid-Off Workers

Although the $28.4 million JTPA program and the $15.4 Trade Assistance Act programs offer assistance statewide to workers laid off due to structural economic change, the State must systematically coordinate its work force and economic development resources with efforts to use the abilities of laid-off workers by re-integrating them into the work force. Other states are combining job retention and lay off prevention strategies to minimize dislocation (see economic development discussion, Section D). Many additional innovative approaches to industry transition and diversification need to be pursued. Essential research into occupational restructuring within industries will enable us to predict where jobs will disappear as well as where new jobs will be created.

An important effort in Texas to address dislocation and industry transition is being conducted by the Governor's Task Force on Economic Transition. In June 1991, the Governor charged this task force with making recommendations regarding how the state can assist communities, businesses, and workers in making the transition from military

to civilian functions as Texas prepares for the closing of three military bases and thousands of lay offs in the defense and related industries. The task force first attempted to assess the extent of the defense industry contribution to the Texas economy as a vehicle for assessing the impact of forthcoming defense expenditure cutbacks on the labor force. The task force estimates that from 1990 to 1996, over 200,000 Texas jobs will be impacted by defense cuts. The task force has made short-term recommendations in four areas in its Volume I report:

1) assessing the impact of defense spending in Texas;
2) addressing workers needs;
3) addressing the needs of military base communities;
4) mobilizing the private sector for successful transition from military to civilian activity;
5) establishing a single point of contact in the Governor's Office.

The second volume of the report will address long-term strategies for re-using bases and defense industry transition.

Though the task force's activity has been limited to defense and related industries, the comprehensive and innovative nature of their work 1) provides a paradigm for other industries and 2) suggests a comprehensive strategy to address what the needs of dislocated workers should include. Thus, their work is instructive to Texas beyond the scope of this particular study.

5. Employment and Training Trends

The gaps described in the previous section pertain primarily to gaps in comprehensive strategies in the current work force development programs in Texas. The next section considers these gaps as well as the inventory results, research, and review of other state and national literature in discussing some important trends that have emerged within the employment and training field. An understanding of trends in employment and training is important in attempting to address the barriers to implement a high skill, high wage strategy for the development of a world-class work force. Before discussing the specific trends, however, some general observations are necessary.

The following comments apply primarily to the major federal programs in job training (JTPA, JOBS, Food Stamp Employment and Training), education (Carl Perkins and Adult Education), and labor exchange services (Wagner-Peyser). The other federal programs in the inventory tend to be more specialized efforts that provide federally funded employment and training services by agencies which provide a range of products and services for a particular population (e.g. senior employment programs or offender programs). The state funds for vocational and adult education services to welfare participants, for example, often are used to match federal funds. Whether the state funds are used as match or not, they most often are administered by the same agency and in conjunction with the federal programs. In some cases, for example, with the Carl Perkins Vocational Education and Adult Education programs, the policy embodied in

the federal legislation is intended to influence policy regarding use of state monies as well. The policy influence of recent federal legislation, again for Carl Perkins and Adult Education programs, has been to emphasize services to "special" or "most disadvantaged" populations.

In making observations which primarily pertain to federal programs, the underlying assumption is that these large programs tend to influence smaller federal and state funded programs. For example, post-secondary performance measures required by Carl Perkins will be applicable to state funded post-secondary vocational programs as well. Also, a dropout study funded by JTPA in 1986 was critical to the passage of legislation requiring secondary schools to provide tutoring for "at-risk" students and to designate an "at-risk" coordinator in every school district.

Second, *analysis of the inventory made it clear that targeting a single program or even a single category of programs for "reform" or "movement" to a different setting, per se, would not produce a more efficient use of resources or to better quality services. Early in the process, the focus of this project had to shift to a more systemic approach which identifies issues and problems that occur across the entire system.*

a. Mixed Messages from the Federal Level

A review of the major pieces of federal legislation authorizing work force development programs reveals essentially compatible purposes: to provide individuals with the skills essential to employability. The underlying premises change slightly over time, but the desired outcome remained extraordinarily consistent. For example, the 1990 amendments of the Perkins legislation begins with the following purpose:

> To make the U.S. more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population.

The purpose of JTPA focuses on preparing unskilled, economically disadvantaged youth and adults for entry into the labor market, while the Family Support Act authorizing the JOBS programs emphasizes providing "needy families with children ... the education, training and support services, and employment that will enable them to become economically self-sufficient." Likewise, the Vocational Rehabilitation Program exists to help those with physical or mental disabilities to prepare for and find competitive employment. The purpose of dislocated worker programs includes providing allowances (Trade Assistance Act), retraining, and readjustment services to enable laid-off workers to be re-employed.

Other relevant legislation addresses providing skills and work experience to special populations, for example Veterans, Older Worker, and refugee programs. The recent National Literacy Act amended the Adult Education Act, which originally focused on

basic literacy and citizenship. The new legislation calls for providing adults with the "educational prerequisites for effective living, gainful employment, and citizenship." The employment service programs are generally directed toward labor exchange -- matching job seekers with employers, but this exchange involves a broader range of assessment, counseling, and referral services which also are offered by job training as well as education programs. Through discretionary set-asides, the employment service also expands its programs for groups with special needs and for a variety of model programs.

While a review of federal programs reveals similar and compatible purposes, the sheer number of programs produces a service delivery environment confusing to the client. Anticipating this confusion, its framers build into legislation a variety of coordination requirements. The Job Training Partnership Act requires the State Job Training Coordinating Council to review and comment on the plans of work force programs. Plans for use of federal resources for Carl Perkins, Adult Education, JOBS, Employment Service, and other state and federal employment and training programs are reviewed by the SJTCC. Though the framework for consistency is in place, there are obstacles to making the reviews meaningful. The primary obstacle is that each program's plan conforms to very specific federal requirements regarding the format and content. These requirements make the various plans difficult to compare. In addition, the plans describe only how the program will comply with federal regulations rather than how service delivery will be coordinated. Finally, the SJTCC's authority is limited to review

and comment; there is no requirement that changes be made as a result of SJTCC review and comment. The SJTCC currently uses the plan review process to establish a dialogue with other programs to determine how efforts can be meaningfully coordinated. The review of state agency strategic plans may prove more productive than the "compliance" plans required by federal legislation.

At all levels outside the SJTCC review, the coordination picture gets even fuzzier. For example, in Carl Perkins legislation, the federally required Advisory Council on Vocational Education is to evaluate the vocational education delivery system, including JTPA, every two years. The vocational education advisory council must give "due consideration" to the appointment of local JTPA private industry council representatives to its state advisory board. Education representatives are required on the Private Industry Council. This requirement, however, does not stipulate that the PICs' education representatives come from vocational-technical fields.

In this maze of coordination requirements, programs tend to work out tacit agreements which comply with federal law to meet the coordination requirements or legislative requirements for one program are cited as evidence that another program or system is not coordinating properly. Despite a history of "turf" disputes, programs, by and large, have a genuine desire to coordinate effectively. But, the "learning curve" associated with mastering another program's law, regulation, governance structure, and practices, and then planning and implementing a meaningful coordination strategy, creates a situation

in which professionals cannot both effectively deliver services to their respective clients and coordinate with other programs. In the final analysis, each program's success is measured by providing services and/or achieving certain outcomes for its designated population. This is not to say that excellent examples of coordination do not exist; they do. In general, however, the current federal legislative framework is not an effective catalyst for service integration at the local level.

The problems characteristic of federal legislation are compounded as the different administrative and regulatory agencies at the federal and state levels which administer the funds generate their own interpretation of regulations and rules, and as separate delivery systems are created at the state and local levels. The State needs to strategize effectively and act as a team to creatively deal with this federally generated chaos. The joint planning and policy development process recommended in this Plan is a good beginning.

b. Special Populations

Most of the programs identified in the inventory were categorized as education, intervention, or labor exchange. The two older program types, education and labor exchange, were created to serve an entire population according to some sort of status assigned to that population: compulsory school age, unemployed, or underemployed, for example. In the 1950s and 1960s, special employment and training programs were

created to intervene on behalf of special populations to assist them in gaining access to the mainstay labor exchange and educational institutions and to provide financial and supportive service assistance while in training or education programs.

The delivery systems of local governmental agencies and community centers that developed as these funds became available developed special expertise in advocating for and assisting people who had fallen through the cracks in the more traditional systems. In the case of the employment service, disadvantaged participants were required to be referred to training programs. As these special populations increased or new ones with special needs were identified, federal law began to assist and/or require services to these special groups from the traditional systems. This can be seen in the Carl Perkins emphasis on serving special populations or in the required outreach services for migrant and seasonal farm workers or Veterans in the Employment Service.

c. Service Delivery

Within the intervention system programs, employment and training services traditionally have been contracted to 1) Community-Based Organizations (CBOs) which informally developed education and training programs to assist special populations or 2) adult education, proprietary vocational schools, or community college programs which served participants in groups or through individual referral agreements. The intervention

system served as an advocate and source of financial and personal support, while the education system primarily provided the actual education and training services for trainees.

Within the last several years, there has been an increasing tendency for JTPA SDAs and PICs, which usually did not provide services directly, to set up alternative learning centers and other facilities to directly train and educate their clients, as opposed to serving as a "brokers" of educational services on behalf of disadvantaged clients.

There have been legitimate reasons -- requirements to conform to federal law, meet federal performance standards, or to provide more customized or better quality services -- for the overlapping of roles between the intervention and education systems in particular. Consequently, these major systems often no longer confine their primary work to that which they do best. It is true that job training has hired excellent teachers and that education has hired excellent counselors and advocates for special populations; but, as models for integrated service delivery are assessed for implementation at the local level, it may be productive to re-examine each system's expertise. Texas should structure local programs to take maximum advantage of that expertise as well as the expansion that has occurred in each system as a result of adapting its role to new situations or requirements.

d. Defining Success

Whether imposed by federal requirements or political pressure, virtually every publicly funded work force program has increasingly been required to demonstrate that its program is working: that its clients finish the program with the skills or the job expected, and that the client outcome was a result of the program intervention. Particularly in regard to employment and training and vocational education programs, and to some extent K-12, adult, and higher education, there is public pressure to provide students employability skills through the educational process.

There is much discussion in the field regarding "common outcomes" -- to somehow ensure that all programs with similar purposes are expected to achieve the same thing -- at the same level. The JTPA system, with the federal performance standards instituted under the JTPA in 1983, has exerted considerable pressure on other systems, particularly vocational education, to demonstrate that their graduates obtain employment upon completion of training. For example, as federal vocational education programs were required to identify and set performance standards, other programs and systems, particularly JTPA, have been involved in the process, to assure consistency across programs and systems.

The above are all progressive trends; however, caution must be exercised to avoid a "homogenization" that ignores what each program is structured (through its respective legislation or its delivery system) to achieve. Traditionally, intervention system programs such as JTPA have been expected to place participants in jobs at acceptable wages for respectable lengths of time. Education programs, on the other hand, are expected to impart knowledge that individuals can use on the job and in society and to grant certificates and diplomas as evidence of that knowledge. It is appropriate to expect each of these systems to perform at high levels in their areas of expertise. *However, it is counterproductive to expect any system to deliver a product or service it is not designed to deliver.* A more realistic approach may involve looking at the overall <u>impact</u> of our employment and training systems by using the TEC Wage Record System to assess whether graduates of various programs were successful in obtaining and maintaining employment over a longer (one year or more) period. The Texas Higher Education Coordinating Board already has committed to using the Wage Record System as it implements new performance measures and standards for state and federal post-secondary vocational/technical programs.

As we consider the goal of service integration at the local level, it is important to set high performance expectations for each program or system in its area of expertise. Thus, clients at the lowest skill level should be able to enter a literacy program to attain basic reading and mathematical skills, progress to an alternative school to gain a high school diploma or its equivalent, go on to specific occupational training appropriate to their

needs and abilities in an occupation in demand in their region or local area, and receive assistance with job placement at the completion of training. They also should be provided with the maximum supportive services (e.g. child care, transportation) for which they are eligible to enable them to successfully complete their education and training.

Further, all individuals, regardless of income or special population status, should be able to enter this comprehensive system at any phase in their employment development, be advised of services for which they are eligible, and provided the opportunity to take advantage of that training or education service on a subsidized or unsubsidized basis as appropriate to their income.

As discussed in *America's Choice*, one of the characteristics of countries such as Germany and Sweden which are pursuing the high skill, high wage strategy is the availability of quality general education, school-to-work transition (for example, apprenticeship) and retraining programs for all citizens. Further, these programs and their participants must meet high standards which employers and the public support and are committed to preserving.

e. Governance Structures

The multitude of work force development programs at the federal and state level has resulted in a complicated and sometimes byzantine array of governing and advisory boards. The intent in establishing the boards was to obtain the expertise and input of business, labor, human service, general education, and other representatives in planning and overseeing the programs. These broadly representative boards have no doubt resulted in positive change as program operators were required to consider a range of different perspectives and increased accountability as work force programs came more into public view.

The research associated with the inventory documented at least twenty separate governing, advisory, and policy boards overseeing the work of the nine agencies in Texas which administer the major work force programs (see list, next page). The advisory groups tend to be mandated in federal law, and when a state administrative agency is selected, the program also comes under the venue of that agency's governing structure. For example, with JTPA and Carl Perkins programs, there is an agency board which oversees all agency operations, and then advisory boards which oversee specific programs. The advisory board makes recommendations regarding policy and resource allocation decisions to the agency board, the Governor, or the legislature. For example,

the Texas Council on Vocational Education advises the State Board of Education regarding Carl Perkins secondary and post-secondary programs, as well as the state vocational education programs.

In addition, the legislatively created Joint Liaison Committee, composed of three State Board of Education members, three members of the Higher Education Coordinating Board, and one member of the Texas Council on Vocational Education, advises the two governing boards represented regarding the allocation of Carl Perkins funds between secondary and post-secondary institutions, as well as other matters related to coordination of secondary and post-secondary vocational education.

Federal law requires the SJTCC to make recommendations directly to the Governor. Traditionally, the agency board which governs or makes policy for the agency that administers JTPA has not been involved with JTPA policy. However, current Sunset Advisory Commission recommendations suggest that the TDOC Policy Board have responsibility for rule-making under state administrative procedures legislation. The administration of JTPA programs, if this recommendation is implemented, will undoubtedly become more complicated.

Another typical situation is the mandate in state or federal law for a consumer advisory board made up of advocacy group representatives and clients or customers of this system. This is true, for example, in both criminal justice and rehabilitation programs.

Advisory and Governing Bodies For Work Force Development Programs

1. Joint Advisory Committee for Technical and Vocational Education
2. State Job Training Coordinating Council (SJTCC)
3. State Board of Education (SBOE)
4. Texas Council on Vocational Education (TCOVE)
5. State Occupational Information Coordinating Committee (SOICC)
6. Texas Higher Education Coordinating Board (THECB)
7. Governor's Advisory Committee on Immigration and Refugees
8. JTPA Legislative Oversight Committee
9. Governor's Task Force on Economic Transition (defense industry)
10. Texas Literacy Council
11. Texas Employment Commissioners
12. Texas Employment Commission Advisory Council (UI)
13. Texas Board of Human Services
14. Texas Department of Commerce Policy Board
15. Texas Board of Criminal Justice
16. Windham Advisory Committee
17. Texas Rehabilitation Commissioners
18. TRC Consumers Advisory Committee
19. Legislature Education Board
20. Legislative Health and Human Services Board
21. Texas Board on Aging
22. Senior Texan Employment Program Advisory Council
23. Apprenticeship and Training Advisory Council

There are also state legislative boards or councils which are assigned specific duties in regard to one or more programs, usually on a temporary basis. For example, one was created to monitor the consolidation of health and human services agencies. Finally, programs which receive federal and/or state funds often have their own state or local advisory boards, for example, Communities-In-Schools or literacy programs.

Not surprisingly, these various policy and governing groups need to coordinate their efforts to ensure consistent goals and policy across programs and agencies. A mechanism for such coordination to occur is recommended at the conclusion of this plan along with the recommendation to form a single Human Resource Investment Council (HRIC), as allowed in the recent JTPA amendments.

f. Policy Trends

Among the many governing and advisory structures for work force programs in the state, there is a need for more proactive policy-making that prioritizes and directs limited resources toward measured outcomes. This is certainly true for federal programs, which often focus on implementing regulations which closely manage expenditures. The Carl Perkins Vocational Education and Applied Technology Act is a good example of this: by federal law, funds are distributed across more than a dozen different program areas including CBO programs, offender programs, Tech-Prep, consumer and homemaking education, and business education partnership. The state

agency is then charged with distributing these funds within the state. While the larger grants are often required by federal law to be distributed by formula to certain entities, agencies have more discretion over other funds. For example, the Coordinating Board awarded $6.4 million through a competitive process to fund 92 projects for state leadership, sex equity and single parent, displaced homemaker, single pregnant women, and Tech-Prep programs. The Texas Education Agency reported having 37 projects at $25,000 each for single pregnant women, single parents, and displaced homemakers in rural and small districts and 66 such projects at $50,000 each for medium and large districts. While many very valuable programs are funded through these efforts, the practice of awarding such small grants without a clear policy direction does call into question the strategic impact these funds are likely to have. For both political reasons and reasons of expediency, many agencies tend to spread discretionary funds among entities in their respective service delivery systems rather than targeting funds to address strategic policy goals. Agency strategic plans, which do prioritize goals, tend to do so without specifying how funds are to be distributed. Joint planning and policy development is a key to focusing efforts and funds, particularly discretionary funds, for greater impact.

6. Related Work Force Programs and Studies* :

Before proceeding to a discussion of aspects of a high skill, high wage strategy that fall outside the work force development programs discussed in this report, it is important to describe some additional efforts within the work force spectrum.

a. Texas Skills Development Program

The Texas Skills Development Program, assigned to the Department of Commerce to be developed in conjunction with the Smart Jobs Training Plan, is designed to provide Texas business, industry, and labor with a model to identify and validate world-class standards for the "smart jobs" of the future. To prepare Texans for "smart jobs," it is essential that we identify those occupations which will be in demand and solicit the input of industry, business, and labor representatives to assist in identifying the skills and skill levels needed for those jobs. Finally, once skills standards are benchmarked against those of our global competitors and validated by industry, they need to be integrated, as a basis of curriculum development and program approval, into secondary and post-secondary vocational and technical programs and other job training programs.

* The information in this section was compiled in July, 1992 and, thus, does not reflect completed reports and activities of groups discussed. Updated information is available through the SJTCC office or by contacting the respective groups directly.

The Texas Skills Development Panel, composed of business and labor leaders, was convened as the steering group to oversee and provide leadership and visibility to this project. Next, several focus groups, comprised of workers, supervisors, and other knowledgeable industry representatives, will identify skill levels for ten job titles from five occupational clusters. For example, in the Health Services field, the job titles for medical assistant and other medical technicians have been identified for testing the model developed for skills standard identification. A report will be issued by the Texas Skills Development Panel to the Governor, with recommendations regarding a statewide strategy for identifying standards, dissemination, implementation, certification, funding, and evaluation.

The Texas Skills Development Program is a critical component of the high skill, high wage strategy, and is essential to ensuring employers that workers educated in Texas training institutions are able to perform at the level required by business and industry. This effort needs to be carefully coordinated with educational partners and leaders and with national efforts to identify industry-wide skill standards.

b. Work Force Development Studies

As part of a general effort to determine how to effectively coordinate the programs within the work force development system, several studies are currently underway in the state which examine work force development programs from a somewhat different perspective than the Smart Jobs Training Plan. These efforts are described briefly below.

The Forces of Change - In March, 1992, in response to a Governor's Executive Order, the Comptroller's Office began a comprehensive study of the major issues and challenges facing Texas over the next thirty years. The product of this effort will be a business plan for the state based on an analysis of current trends and forecasts. The effects of major trends such as globalization of the economy, changing demographics, and the need to protect the environment will be examined. Questions regarding how the current and future work force can be prepared and prosper amidst these trends are critical to this discussion. Thus, many work force development programs are being reviewed for their capacity to meet these future challenges. Recommendations are expected for organizing state government to most effectively deliver work force development services as well as related services in education, human services, and economic development.

Senate State Affairs - The Senate Interim Committee on State Affairs, Work Force Development Subcommittee, is examining state employment and work force development programs to determine their effectiveness in meeting the State's changing economic needs. This study is examining the extent to which the current system 1) provides meaningful skills leading to a job which pays a decent wage; 2) promotes higher productivity through providing better skilled entry level workers and efficient training and retraining of active and dislocated workers, and 3) efficiently utilizes public funds. The approach in this study is to emphasize commitment to common goals for all stakeholders, incentives to encourage coordination, and measurement of performance to ensure goals are being reached.

The study will examine work force programs in Texas and make recommendations for short- and long-term reform consistent with the three criteria outlined above. The result of these activities will be a set of legislative proposals recommending how service delivery from the state level should be structured to most effectively prepare future workers and assist dislocated workers in returning to a changed labor market.

The Senate State Affairs Committee is holding a series of hearings on work force issues. These hearings will result in a report to the full Senate State Affairs Committee and subsequent drafting of bills for those recommendations accepted by the Committee which require legislative action.

Sunset Advisory Commission Review - In the 72nd Legislative Session, the schedule for review of the Department of Commerce by the Sunset Advisory Commission (Sunset) was advanced, resulting in a review of all Department of Commerce functions and programs within the past year. For purposes of this review, Sunset staff looked at all aspects of the State's economic development effort and recommended that the Department of Commerce continue to administer the Job Training Partnership Act. The staff review concluded that transferring the JTPA program outside the department would not result in a significant cost saving and identified no other agency or organization that could perform the work force development function with any increased

benefits or cost savings to the state. At public hearings in May, 1992, the issue was raised again, with the specific suggestion that the Job Training Partnership Act program be moved to the Texas Employment Commission.

Recommendations to the legislature from the Sunset Commissioners will be finalized following a final set of hearings in September, 1992. The Sunset Act then requires specific legislation to be enacted to continue the Department of Commerce. Provided Commerce is continued, the final legislation will contain a recommendation regarding whether to continue the JTPA program within the Department of Commerce or transfer it to another agency. The legislative dialogue surrounding the placement of the State's largest federal work force development program will provide some insight as to how work force development programs are viewed by the State's leadership, that is, whether legislators see the primary purpose of work force programs to be economic development, education, assistance to the unemployed, or the elimination of dependency on public assistance or a new, single work force development purpose that encompasses all of these.

All these efforts are directed toward legislative recommendations for the next session which likely will suggest reconfigurations of various work force development programs at the state level. *The benchmark against which such proposals should be evaluated is whether the reorganization, reconfiguration, or consolidation at the state level will result in improved service to participants and employers at the local level.*

D. RELATED EFFORTS*

Much of the discussion thus far has focused specifically on the work force development system in the State. Equally important is the need to structure relationships among the other major systems not specifically addressed in this report: general education, health and human services, and economic development. Though the specific analysis of each of these is beyond the scope of this report, the following section explains the nature of the relationships with those other major systems, and suggests particular initiatives within them which are supportive of a high wage, high skill strategy.

1. General Education

From every group and every constituent, when asked what Texas needs to do to build a world-class work force, the most consistent response was: improve the quality of our education system. To have a world-class work force, the state must have a world-class system of education. While this report does not make specific recommendations regarding the K-12 general education system, certain initiatives currently underway in the state are essential to the overall high wage, high skill strategy.

* The information in this section was compiled in July, 1992 and, thus, does not reflect completed reports and activities of groups discussed. Updated information is available through the SJTCC office or by contacting the respective groups directly.

a. Texas 2000 Coordinating Committee (Coordinating Committee)

In January, 1992, the Governor released "The New Texas Schools: A Progress Report to the People of Texas." This report documented Texas' progress toward meeting six national education goals supported by the President and the governors. Governor Richards appointed the Texas 2000 Coordinating Committee to 1) advise her on our State's continuing progress in meeting these six goals; 2) encourage communities to adopt the goals; 3) establish community-wide strategies for achieving them; and 4) report to their communities on their progress in meeting the goals. A national conference is planned in November, 1992. The conference, "Quality and Education: Critical Linkages," will demonstrate the use of total quality management principles to meet the National Education Goals. A second report on Texas' progress in meeting these goals will be issued in the Fall of 1992.

The goals to be addressed by the state and local communities, presented below, represent a comprehensive approach, from early childhood through adult education and job training, to produce adults "able to compete in a world economy and function as responsible citizens."

Goal 1 - Readiness: All children in America will start school ready to learn.

Goal 2 - School Completion: The high school graduation rate will increase to at least 90 percent.

Goal 3 - Student Achievement and Citizenship: American students will leave grades four, eight, and twelve having demonstrated competency over challenging subject matter including English, mathematics,

science, history, and geography, and every school in America will ensure that all students learn to use their minds well, so they may be prepared for responsible citizenship, further learning, and productive employment in our modern economy.

Goal 4 - Mathematics and Science: U.S. students will be first in the world in mathematics and science achievement.

Goal 5 - Adult Literacy and Lifelong Learning: Every adult American will be literate and will possess the knowledge and skills necessary to compete in a global economy and exercise the rights and responsibilities of citizenship.

Goal 6 - Safe, Disciplined, and Drug-Free Schools: Every school in America will be free of drugs and violence and will offer a disciplined environment conducive to learning.

The national goals effort promises to keep the public fully informed and actively organized to move the state toward accomplishment of the six goals. The Coordinating Committee is working in conjunction with the Texas Business and Education Coalition (TBEC), a private, volunteer group supported by business leaders and concerned with improving the quality of Texas schools. The commitment of the Texas 2000 project to accountability through public awareness, assistance to local communities, partnership with business, and empowerment of local communities is consistent with the high skill, high wage strategy. Further, the framework is set in Texas for local Private Industry Councils under the Job Training Partnership Act to connect with local Texas 2000 Committees to plan for school-to-work transition and services for individuals who fall through the cracks in the traditional education system. This relationship will be even

more important if the role of PICs is expanded, as proposed in federal Job Training 2000 legislation, to assume increased responsibility for adult education, vocational education, and other federally funded work force training programs.

b. Committee on Student Learning

This committee, mandated during the 72nd Legislative Session, is composed of classroom teacher, teacher education, and administrator representatives from elementary, secondary, and post-secondary institutions; the Commissioners of Secondary and Post-Secondary Education; and the Chair of the Board of Education. The committee is charged with the following:

> At each regular meeting of the Legislative Education Board, the committee shall report to the board its progress regarding:
>
> a. the essential knowledge and skills identified by the committee for elementary and secondary students, including at a minimum, knowledge and skills in the areas of reading, writing, speaking, mathematics, and critical thinking;
>
> b. a statewide assessment program developed by the committee for elementary students that is primarily performance-based, uses a variety of assessment methodologies to determine if students have mastered the essential knowledge and skills, and is designed to assess students in at least two elementary grade levels;
>
> c. a statewide assessment program developed by the committee for secondary students that is primarily performance-based, uses a variety of assessment methodologies to determine if students have mastered the essential knowledge and skills, and provides criteria for a certificate of initial mastery;
>
> d. recommendations for appropriate uses by public schools and school districts of the results of the statewide assessment programs;

e. recommendations for changes to state laws and rules, school district policies, budget procedures, and other factors that inhibit schools from adopting strategies designed to ensure that students achieve the essential knowledge and skills;

f. recommendations for accurate and fair indicators to measure the level of student learning in public schools and school districts and measures that would assist public schools and school districts in which student learning is below expected levels of performance;

g. recommendations for modifying college and university entrance requirements that inhibit public schools from adopting strategies that are designed to ensure that students achieve the essential knowledge and skills;

h. the time, support, and resources, including technical assistance, that the committee determines to be necessary for public schools and school districts to ensure that students achieve the essential knowledge and skills; and

i. recommendations for replacing course or class credit requirements with the requirements for core competencies, including critical thinking skills, for the purpose of improving and evaluating student performance.

The State Board of Education must first receive the recommendations of this group before adopting rules within the areas related to the committee's charge. The committee must also report quarterly to the Legislative Education Board on its progress. This committee has the potential to institutionalize world-class standards in Texas schools and to establish progressive and fair means of measuring those standards. Such standards and measurements are included in the recommendations in *America's Choice* as well, and are the foundation of a world-class education system.

2. Health and Human Services

The majority of the clients who enroll in federal work force development programs and a growing number of students in Texas public schools rely heavily upon local public health and welfare systems in order to meet their basic needs. Children cannot progress in school and adult job trainees cannot successfully complete training unless basic needs are met. It is essential to the success of schools and job training programs that human services be provided in a consistent and effective manner in the community, with appropriate referrals among and between schools, training programs, and the health and human services system. Texas is currently implementing new legislation, House Bill 7 (HB 7), which will eventually consolidate the delivery of health and human services under a new Health and Human Services Commission. The Health and Human Services Commissioner, whose position was created under this legislation, has broad authority and responsibility to plan and oversee the eventual consolidation of services now offered by the following eleven agencies:

1. Interagency Council on Early Childhood Intervention Services;
2. Texas Department on Aging;
3. Texas Commission on Alcohol and Drug Abuse;
4. Texas Commission for the Blind;
5. Texas Commission for the Deaf and Hearing Impaired;
6. Texas Department of Health;
7. Texas Department of Human Services;
8. Texas Juvenile Probation Commission;
9. Texas Department of Mental Health and Mental Retardation;
10. Texas Rehabilitation Commission; and
11. Texas Youth Commission.

Under HB 7, the services provided by the agencies include protective services for adults and children, regulation of long-term care facilities, preventative and acute health services, mental health services, as well as medicaid and support services, including Aid to Families with Dependent Children (AFDC) and Food Stamps administration. The services of the agencies listed above are reorganized to some extent in HB 7 under several departments over which the Commission has authority: Department of Protective and Regulatory Services, Department of Public Health, the Texas Department of Human Services and the Department of Mental Health and Mental Retardation. By January, 1993, the Commissioner will submit to the Governor and the Legislature recommendations and an implementation plan for permanent governing structures and the consolidation of all health and human services agencies, programs, and activities. This section of the law also requires that the plan recommend the "appropriate relationships" of the JTPA programs to other health and human services agencies. The Commission will work with the Texas Legislative Council to develop necessary statutory revisions to implement the plan. By September, 1995, the reorganization of health and human services in Texas will be complete.

This statute also provides for a Legislative Health and Human Services Board to oversee implementation of HB 7 and assure that it is implemented according to legislative intent. The bill further provides for interagency initiatives to consolidate data bases, examine confidentiality issues, recommend to the Texas Congressional delegation needed changes in federal laws and regulations, and request waivers to facilitate the consolidation effort.

Under the legislation, three client access pilot projects have been funded in Dallas County, Lubbock County and Schleicher County (i.e., a metropolitan county, medium county, and rural county). The demonstration projects will test integrated service approaches for providing health and human services in Texas communities.

As various proposals are put forth for integration of work force programs, the local pilots and implementation of HB 7 create an important model from which the various programs within the work force development system may learn valuable lessons.

3. Economic Development

From the most scholarly academic treatise to the most casual observation, there is consistent agreement: there is no point in training and preparing people for jobs that never will exist. It is essential that our State's economic development policy focus on retaining, expanding, and attracting firms that strive to become high productivity work organizations and are willing to pay skilled front-line workers to perform expertly in skilled jobs. A recent *New York Times* article entitled "The Calls for an Industrial Policy Grow Louder" by Steven Greenhouse (July 19, 1992) discusses the advantages and disadvantages of government support for developing technologies and industries. This article contains an interesting point from Kennedy School of Government Professor (and

the newly appointed Secretary of Labor under President Clinton) Robert Reich: European policies support industries which increase job skills. He then uses the following example:

> Europe supports Airbus not because it expects Airbus to be a profitable company, but because it wants to gain cutting-edge skills in aerospace.

Secretary Reich notes that "efforts to back high-tech industry should also aim to give Americans high-tech skills and jobs." This skills-based strategy is a cooperative one in which industry leaders agree which technologies should be developed and then support the organization or consortia most capable of developing that technology.

While strategies to attract high skill, high wage industries are the focus of sound economic development efforts, they should not represent the limits of our efforts. Increasingly, countries and states are recognizing the importance of supporting economic diversity appropriate to the size and nature of each community. In the April, 1992 issue of *Monthly Labor Review*, an article by Robert J. Gitter describes the steps that the twelve-nation European Community (Community) took to eliminate economic trade barriers among member countries. In The Single European Act, the Community committed to reducing the gap in incomes between the richer and poorer nations of the Community, and established several funds to accomplish five structural objectives under this goal.

Three of the five objectives concern aiding regions where development lags, which have been adversely affected by industrial decline, and rural areas where agriculture and forestry need to be modernized.

Interestingly, the other two objectives concern training to combat long-term unemployment and integrating young people into the labor market. The European Community, clearly led by those countries that have succeeded economically through the high skill, high wage strategy, also are focusing on the need for regional economic development and worker training for the disadvantaged to assure prosperity for the entire European Community. This approach may be instructive to Texas, especially as we contemplate strategies to deal with the effects of the North American Free Trade Agreement.

While many states within the United States focus their economic development efforts on attracting of new industries, often to urban areas, some are beginning to concentrate on job retention to especially prevent worker dislocation among small- and medium-sized businesses often located in non-urban areas. The June 30, 1992 edition of *Labor Notes*, published by the National Governor's Association, highlights the efforts of several states that have emphasized saving jobs by retaining existing firms rather than creating jobs for workers who are dislocated.

Minnesota, for example, focuses these efforts outside the metropolitan area of Minneapolis/St. Paul on small- and medium-sized manufacturing facilities. The Minnesota Technology Program prioritizes its efforts on companies which are of economic significance to a locale, regardless of industry. These firms are assisted with modernizing their techniques and practices, and training workers to operate in the new environment.

The State of Washington has a similar program which targets manufacturing and processing firms which have been in business for three or more years. They also use the criteria of "significance to the local community" and consider such factors as net worth, tax base, and share of local employment to prioritize cases. Both Washington and Minnesota, well known for their successes in attracting high skill, high wage industries and jobs to their states, also are actively focusing on very targeted regional efforts as part of comprehensive work force and economic development plans. This diverse approach is pursued not in opposition to, but in support of, a comprehensive high skill, high wage strategy.

For Texas, as well, the development of a world-class work force and the availability of jobs for them requires a variety of carefully coordinated strategies to address the needs of workers from diverse areas of the state. *In a true high skill, high wage strategy, "smart jobs" include all those jobs that make sense for Texas and pay Texans a wage that sustains a decent standard of living.*

The Texas Department of Commerce currently is pursuing a wide range of strategies for retention or expansion of jobs and assistance to Texas businesses. The Texas Market Place project, for example, links Texas businesses to global opportunities to buy and sell goods and services. Using an electronic bulletin board, a business may list any product or service it wants to buy or sell. The Texas Marketplace, made accessible through Commerce's partnership with Small Business Development Centers across the state, also provides businesses with access to one-on-one business counseling and training, financial assistance information, and exporting opportunities. The diversified economic development agenda of the Department of Commerce also includes the following activities:

- state and federal financial and other incentive programs to increase growth in target industries and increase technology from community and federal laboratories;
- sponsoring trade events to develop international markets and partnerships;
- community assistance for retention and expansion, information, and research services to current and prospective Texas businesses, state and local government, and economic development entities;
- direct assistance to communities recruiting out-of-state business; and
- promotion of diversification of the State's economy, through research and economic development assistance to travel-related businesses and promotion of Texas as a travel destination.

The Department of Commerce has developed target industries and focuses its retention and expansion efforts in the following areas:

- Aerospace, automotive and transportation
- Environmental and alternative fuels
- Life sciences
- Electronics and computers
- Food, fiber and hide processing
- Office automation and data processing
- Plastics
- Petrochemical, chemical and pharmaceutical
- Advanced technology and telecommunications
- Tourism and entertainment

E. STAKEHOLDER PARTICIPATION AND THEMES

The previous sections describe issues, programs, systems -- and problems -- with which the stakeholders that participated in developing the Smart Jobs Training Plan are extremely familiar. Thus, the discussions regarding what Texas needs to do in order to build a world-class work force covered a wide range of topics from the perspectives of several different groups.

The process of obtaining input and direction from other stakeholders began with the convening of state agency heads or their representatives. An initial approach for developing the plan and identifying the current interagency coordination efforts and initiatives was proposed to this group. As a starting point, the agency group concurred that staff should prepare an inventory of the existing work force development programs described in Section C. This inventory was developed and later presented to the agency group in draft form.

After obtaining state-level input and guidance, the proposed approach and the inventory were presented to a policy advisory committee of the local Job Training Partnership Program local directors, to obtain their ideas on the State's appropriate role in fostering coordination at the local level. The State Job Training Coordinating Council Smart Jobs

Task Force, composed of business, labor, education and general public representatives, was then called upon to assess the information collected and develop final recommendations.

The following discussion summarizes the common themes and concerns that came from sessions with the state agency representatives, local program directors, and SJTCC Task Force members. It was these themes, which the different groups developed independently, that formed the basis for the initial recommendations made by the SJTCC Task Force. The initial recommendations were then revised and strengthened based upon feedback received in a series of regional forums with clients, front-line workers, business and labor representatives, and local program administrators.

This Plan represents a cooperative effort to focus and direct, as opposed to reinventing, the current system. This does not mean that significant change is not proposed. However, the nature of the change recommended is based on a comprehensive, systemic approach as opposed to an approach targeted to change or reform individual programs. The individuals and groups who participated in this process were consistently open and cooperative in looking at existing systems comprehensively and making the individual program changes and sacrifices necessary to accomplish common goals and purposes.

1. Articulating A Vision

Despite the enormous amount of activity and the substantial resources available to the State to address the work force agenda, there is currently no unifying vision which motivates and directs our efforts. In the environment of varying sets of federal and state laws and regulations, competing initiatives among agencies to demonstrate their responsiveness to the work force crisis, and demand within the field and by the public for accountability and standards, there is a sense of increasing effort without increasing productivity or progress. The need consistently identified by state agency, local program, and SJTCC representatives, all of whom experience the current systems and programs from different perspectives, was that the state leadership needs to articulate a shared vision and strategies to work toward that vision, and provide consistent follow through in legislative, policy, and budget decisions that support the vision. The final recommendations suggest what that vision and strategy should be, as well as mechanisms to implement it.

2. Business/Governmental Partnership

Very serious discussion occurred among members of the SJTCC Task Force concerning the amount of bureaucratic detail that business representatives must endure both in their voluntary efforts as board members, as advisors, and as customers trying to access education and training services. The SJTCC Task Force essentially signaled the alarm

for state government to take action immediately to meaningfully involve the private sector in work force development efforts. The SJTCC Task Force members proposed an initiative which can be undertaken immediately to begin this effort and at the same time assist small- and medium-sized businesses, in particular, with their training needs.

They further recommended a brokering system to give business access to government training products and services while making red tape and bureaucratic detail invisible to those business customers. The recommendations regarding the business/government partnerships represent action the state can take to stem the growing frustration of business representatives in accessing government services and encourage the interest of business in making a positive contribution to the development of a world-class work force.

3. Integrated Delivery Systems

The driving vision behind the Smart Jobs Training Plan effort was one of high quality, easily accessible, customized service at the local level for both program participants and employers. Agreement was almost universal that for effective coordination to occur at the local level, there must be consistent direction and policy from the various state-level agencies which administer work force development programs. While there was considerable initial reservation about merging agencies at the state level or moving programs, the need to streamline individual program eligibility determination

procedures, reporting requirements, and performance criteria was reiterated consistently. The vehicle recommended for accomplishing state level consistency was joint planning and policy development among the major agencies which administer work force development programs. Setting common goals and state priorities through dialogue among the boards of the various agencies that administer work force development programs was also proposed as a key to a coherent work force development system.

The need to support local models of "one-stop shopping" approaches, of the kind currently being developed in San Antonio and Corpus Christi using employment service, job training, and human services funds, is also essential to the State's movement toward integrated service delivery at the local level.

Local program directors and the SJTCC Task Force reiterated the necessity of carefully and systematically examining all current state requirements that go beyond the federal law, and eliminating those that do not support quality and efficiency in local level programs. In addition, all groups stressed the need for the State to mount a concerted effort to seek relief at the federal level from the myriad regulations, policies, and punitive requirements by enforcement agencies who interpret regulation and policy, and the directives of which consequently become requirements at the state and local levels.

4. Meeting Customer Needs

While it was emphasized that relief from state and federal regulation was necessary to remove impediments to developing effective local programs, some areas were seen as appropriate for state level direction or support. These focus on populations in need of special assistance and those who often require the services of several agencies to obtain assistance (e.g. dropouts, offenders, adults and youth with inadequate basic reading and mathematics skills to function effectively in society or on the job). The need for agencies to cooperate in identifying each agency's proper role in conducting and funding school-to-work and other transition assistance, including dislocated worker programs, was identified. These discussions emphasized community skill centers and centralized facilities to meet the needs of under-prepared youth and adults.

5. Skill Standards and State-of-the-Art Curriculum/Other Research and Development

A consistent theme in both the literature reviewed and discussion with various groups was the importance of setting meaningful standards for the State's education and training institutions. The lack of standards sends a message of low expectations to students, workers, and institutions. It essentially undermines our ability to assess the impact of our efforts and/or our competitiveness among other states and other countries. There was much interest, particularly, in standards and the standards-setting process for

secondary and post-secondary vocational/technical programs of study. The Texas Skills Development Program, currently being developed at the Texas Department of Commerce, has the potential for gaining statewide support.

There also was considerable concern regarding training of the active work force. The discussants consistently noted that employment and training services traditionally available only to low income families need to be available to all, regardless of income. In the current budgetary environment, this is a tall order. However, each group felt that sustainable funding mechanisms that would allow every Texan to complete high school and maintain the level of skills needed to remain productively employed are essential to the well-being of Texas.

There was particular emphasis, as well, on work place literacy and work place basic skills, such as those identified in the DOL *Secretary's Commission on Necessary Skills* (SCANS) study, which identified both the basic (foundational skills) and specific competencies necessary to succeed in today's work place.

6. Accountability

The final consistent theme was the need for accountability to the individuals served, to the businesses who use the services, and to the public. Discussion centered around the need, at both the state and federal level, for consistent and meaningful accountability

through market-relevant performance measures. Attempts to measure accountability should constitute more than a numbers game that encourages programs or agencies to use easily manipulated standards. To accomplish meaningful accountability, each program should be held to high standards in its respective area of expertise.

Those standards should be consistent with and complementary to other programs which also perform effectively in their area of expected success. The current strategic planning process (in the Texas Legislature) which requires agencies to set outcome-oriented performance standards presents an opportunity to bring greater accountability to work force and other programs conducted by state agencies.

Though there was not always agreement on the particulars, the above themes were consistent throughout the discussions with agency representatives and the SJTCC Task Force. These discussions resulted in the final recommendations, presented in Section II, which represent a comprehensive package that forms the basis for Texas' high skill, high wage strategy - Texas' Smart Jobs Training Plan.

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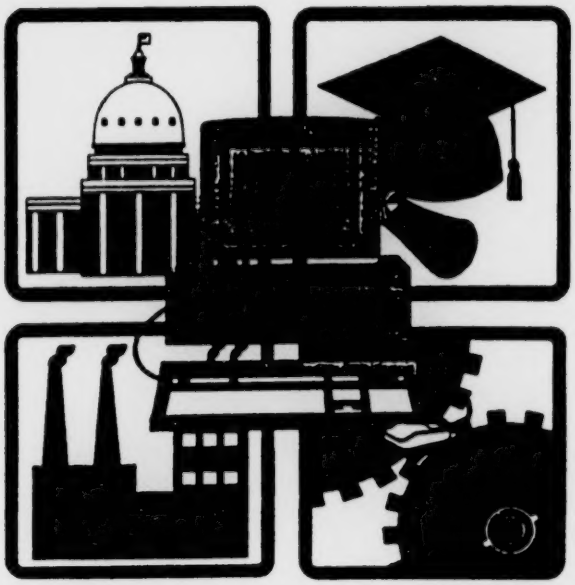
ADDENDUM*

* The complete report on the Regional Forums detailing the participants' comments and conclusions from each group will be published under separate cover by Texas A&M University, and will be available upon request from the SJTCC Office.



Final Report on the

Smart Jobs Regional Forums

State Job Training Coordinating Council
Smart Jobs Task Force

Texas Department of Commerce
Workforce Development Division

Texas A&M University, College of Education
Department of Educational Human Resource Development

February 1993

Regional Forums on the "Smart Jobs Training Plan"

In September, 1992, the State Job Training Coordinating Council (SJTCC) released the draft of recommendations the Council made to the Governor of Texas regarding a future work force training strategy called *Smart Jobs*. The *Smart Jobs Training Plan* is a response to Governor Ann Richard's charge to the Council to develop a coordinated statewide use of existing and potential training funds. The Council heard a report on the plan from its Smart Jobs Task Force in early October.

During the October SJTCC meeting, it was announced that the Educational Human Resource Development Department at Texas A&M University had been contracted to conduct a series of regional forums. The Regional Forums would be one-day facilitated focus groups around the state during October and November to gather input on the *Smart Jobs Training Plan* from stakeholders in the job training process.

It was the task of Texas A&M to arrange for facilities and provide participant materials and on-site facilitators for the seven Regional Forums. The SJTCC and TDOC staff selected the sites for the seven Regional Forums, invited the representatives of stakeholder groups, determined which groups would participate at each site, and specified the Forum discussion topics from the *Smart Jobs Training Plan*.

Smart Jobs Regional Forums

Business and Labor Group	**October 22, 1992**	**Hurst**
Client Group	**October 26, 1992**	**Austin**
Front Line Worker Group	**October 30, 1992**	**Houston**
Client Group	**November 2, 1992**	**Harlingen**
Front Line Worker Group	**November 13, 1992**	**Amarillo**
Program Administrators Group	**November 16, 1992**	**El Paso**
State Level Policy Forum	**November 20, 1992**	**Austin**

Members of the SJTCC hosted each of the Regional Forums. Roger Williams hosted the first forum at Bell Helicopter Textron in Hurst and Martha Hinojosa-Nadler hosted the first client group forum in Austin. Joe Rutledge hosted in the first front-line worker forum in Houston, the second client group forum in Harlingen, and the second front-line worker forum in Amarillo. Charles Turco hosted in the program administrators forum in El Paso and Mary Jane Leahy participated in the state level policy forum in Austin.

The Regional Forums were assisted by Cynthia Mugerauer, Executive Director of the SJTCC. It was the role of the Executive Director to brief all Forum participants on the SJTCC's Smart Jobs Training Plan, explaining why the plan was developed and **defining *smart jobs* as employment in high skill, high wage positions**. She traced the history of the task force planning process and explained each of the recommendations made by the SJTCC to the Governor. The current array of uncoordinated and overlapping state training programs was described and funding totals were identified. She explained that the plan is under review and that the SJTCC is gathering comments from stakeholders, including clients of these programs, to assure that their needs are being addressed in the planning.

Staff support was also provided by Cindi Vana, Work Force Development Division, Texas Department of Commerce (TDOC). Cindi Vana briefed the Forum participants regarding federal initiatives which support the Smart Jobs Training Plan. The federal *Job Training 2000* and other national level efforts were reviewed.

Richard Hall, from the Texas Department of Commerce, briefed the Forum participants about the *Smart Jobs Fund* legislative initiative at the state level, a proposal to utilize a portion of the unemployment insurance fund for job training for currently employed workers.

Forum Discussion Process

Every effort was made to include all participants in the group discussions and to encourage their authentic comments. The discussion took two forms, small group and large group discussions on predefined topics, and large group discussion of participant specified topics. Each participant was given a form on which to make recommendations to the Governor regarding predefined topics from the *Smart Jobs Training Plan*.

Findings from the *Smart Jobs Training Plan* Regional Forums

The following summaries represent an analysis of discussion and written comments by the Regional Forum participants in responses of to the *Smart Jobs Training Plan*. Participant rosters and written participant comments from each forum are included in a separate report to be issued by Texas A&M University.

A. **Participants supported the vision of a high skills, high wage strategy for the Texas workforce.** Participants strongly supported a smart jobs strategy as a workforce development initiative for the current Texas workforce. Participants viewed the smart jobs strategy as needing to begin with basic SCANS skills and build step-by-step to high skills.

B. **Participants supported the coordination of current statewide systems and initiatives.** Participants at every level in the process, from the clients through to state agency heads, agreed that redundancy and bureaucratic structure hinder the effectiveness of the current combination of programs. There is no current statewide job training *system*, only a tangled web of programs.

C. Business / Governmental Partnership: **Participants strongly supported increased emphasis on small business workforce training efforts combining business, government and educational resources.** Incentives for businesses providing customized workplace training should be funded by the State of Texas, according to Forum participants.

Integrated Service Delivery: **Participants agreed that there should be a single vision of the workforce development mission by State agencies.** If necessary, the Governor should mandate cooperation among agencies to reduce competitive bureaucratic practices, to enhance the information sharing, and to leverage agency resources. Agency staff felt strongly that federal regulations which create conflicting and overlapping state requirements should be addressed at the national level. Clients want to be assisted in a user-friendly atmosphere by well-trained, well-informed, and well-intentioned agency staff. Agency data bases, intake procedures, eligibility criteria, and case management practices should be shared and should operate consistently across agencies. While the establishment of pilot projects may be effective in localized areas, participants agreed that an integrated service delivery approach should be implemented statewide immediately.

Meeting Customer Needs: **Participants uniformly supported an individualized, case management approach to assessing and meeting customer needs.** Client participants in the forums included *customers* who were homeless, handicapped, single parents, elderly, learning-disabled, and Texans with other special needs. While they support the proposed transition assistance initiatives in the *Smart Jobs Training Plan*, a major concern is that social service (welfare, child care, health care, transportation) benefits may be unavailable or discontinued before the client is self-sufficient. Participants encouraged the State to include strategies to improved public awareness of available programs and to improve public perception of vocational and adult education.

Skills Standards: **Participants were vocal about the need for workplace basic skills, as described in the SCANS report, and job retention, workplace effectiveness skills.** Transferable workplace skills should be assessed with clients, empowering them to continue to learn. **Participants indicated that the State's responsibility is to provide employable citizens, with communications and computer skills, for industry to train in specific standardized job skills.** Literacy and English as a second language should be included in the

Smart Jobs Training Plan strategies. **Participants agreed that business, government and education should work together to establish minimum competencies and job specific skill standards for *smart jobs*. Educational credentials and training certifications must be valid, recognized statewide, and documented in a database system.**

Accountability: **Participants indicated that both process and outcome performance standards are necessary. Agencies might be evaluated based on their value-added contribution to the workforce or on a continuous improvement model.** Some participants agreed that incentives for successful agency performance should replace the conflicting state and federal performance measures now in operation. Participants were outspoken and concerned about the lack of accountability of the public schools regarding the high schools diploma and the necessity for high school graduates to be self-sufficient, motivated and employable citizens. Client satisfaction is one measure of agency performance. Reduced unemployment is another. Participants supported the concept of a stepped or ladder model of agency accountability as each individual client progresses from basic skills through successful placement in the high skills, high wage workforce.

Consensus Statements from the Smart Jobs Regional Forums

Participants in the seven Smart Jobs Regional Forums could envision a job training process in Texas which begins with basic skills and progresses all the way to high skills, high wage employment in *smart jobs.* Participants agreed that the state agencies involved in job training should be client centered and foster interagency cooperation. The following eleven consensus statements from business, agency personnel, and clients were expressed at the Regional Forums and should form the basis of changes as recommended to the Governor.

1. There is a lack of standards for current credentials (high school diplomas, certificates, etc) making it difficult, if not impossible, to assess achievement.
2. There is a lack of adequate information sources: little or no interagency knowledge of programs; multiple entry information requirements.
3. A skill base is needed for job entry and improvement.
4. Workplace training programs need to be enhanced to keep current jobs.
5. Local clearinghouses are needed for job pools, especially in areas with high technology industry and military outplacement.
6. "One Stop Shopping" arrangements are needed to develop single contact points for multi-agency programs.
7. Current programs need to be transitioned into a work related skills curriculum.
8. Clients need support for transportation and child care during training and job search.
9. Improve communications between agencies and adopt a common vision.
10. Front line workers must be knowledgeable regarding the various programs, skilled in assessment and counseling, and sensitive to client needs.
11. Job creation through economic development should receive more funding and more effort.

APPENDIX A

List of Funding Levels by Agency

Inventory of Work Force Programs

WORK FORCE DEVELOPMENT PROGRAMS
AGENCIES AND RESOURCES *

AGENCY / PROGRAMS	STATE FUNDING	FEDERAL FUNDING	TOTAL
TEXAS EDUCATION AGENCY			
Adult Education Act	9,000,000	15,020,704	24,020,704
Secondary Vocational Education	327,401,893		327,401,893
Carl Perkins Vocational Education Act		43,387,475	43,387,475
Sub Total	336,401,893	58,408,179	**394,810,072**
TEXAS HIGHER EDUCATION COORDINATING BOARD			
Post Secondary Technical Education (state)	224,000,000		224,000,000
Carl Perkins Vocational Education Act		28,519,298	28,519,298
Sub Total	224,000,000	28,519,298	**252,519,298**
TEXAS EMPLOYMENT COMMISSION			
Wagner-Peyser Funds 7(a) 7(b)		56,452,288	56,452,288
Trade Adjustment Act		15,481,878	15,481,878
Project RIO Program	4,293,870		4,293,870
Communities-in-School	4,900,000		4,900,000
Sub Total	9,193,870	71,934,166	**81,128,036**
TEXAS DEPARTMENT OF COMMERCE			
JTPA Program (economically disadvantaged)		218,336,741	218,336,741
Title III JTPA Dislocated Workers		28,467,253	28,467,253
Work Force Incentive Program	2,000,000		2,000,000
Sub Total	2,000,000	246,803,994	**248,803,994**
TEXAS DEPARTMENT OF HUMAN SERVICES			
Job Opportunities and Basic Skills	24,332,460	16,403,025	40,735,485
Food Stamp Employment and Training	3,562,439	12,379,989	15,942,428
Sub Total	27,894,899	28,783,014	**56,677,913**
TEXAS DEPARTMENT ON AGING			
Senior Employment Programs	485,007	4,365,066	4,850,073
Sub Total	485,007	4,365,066	**4,850,073**
TEXAS REHABILITATION COMMISSION			
Vocation Rehabilitation Act	26,700,000	99,700,000	126,400,000
Other Special Projects	4,700,000	77,704	4,777,704
Sub Total	31,400,000	99,777,704	**131,177,704**
GOVERNOR'S OFFICE OF IMMIGRATION AND REFUGEE AFFAIRS			
Refugee Assistance Act		2,200,000	2,200,000
Sub Total		2,200,000	**2,200,000**
TEXAS DEPARTMENT OF CRIMINAL JUSTICE			
Institutional Division Programs	36,885,387	600,000	37,485,387
Sub Total	36,885,387	600,000	**37,485,387**
TOTAL	**668,261,056**	**541,391,421**	**1,209,652,477**

* **Figures are for PY1992 or FY1992 and some are approximate. Federal funds contracted from one agency to another are reflected in the amount of the agency which originally receives the funds from the Federal level.**

I. Education System Work Force Development Programs

Program	A. Secondary Vocational Education: Carl Perkins Title IIA	B. Secondary Vocational Education: Carl Perkins Title IIB	C. Secondary Vocational Education: Carl Perkins Title IIC	D. Secondary Vocational Education: Carl Perkins Title III
Purpose	To make the U.S. more competitive in the world economy by developing more fully academic and occupational segments of the population by providing assistance through state programs and state leadership.	To make the U.S. more competitive in the world economy by providing programs that provide single parents, displaced homemakers, and single pregnant women with marketable skills; programs that promote the elimination of sex bias; and programs for criminal offenders.	To make the U.S. more competitive in the world economy by providing basic grants to secondary schools that integrate academic and vocational education in those programs through coherent sequences of courses.	To make the U.S. more competitive in the world economy by developing more fully academic and occupational segments of the population by providing joint projects between secondary schools and community-based organizations and programs for Consumer and Homemaking Education.
State Administrative Entity	Texas Education Agency (TEA)	Texas Education Agency (TEA)	Texas Education Agency (TEA)	Texas Education Agency (TEA)
Funding level	July 1 - June 30 PY1992 $3,540,456 - Federal	July 1 - June 30 PY1992 Single Parents $3,019,800 Sex Equity $1,353,704 Criminal Offenders $715,554 - all Federal	July 1 - June 30 PY1992 $31,239,314 - Federal	July 1 - June 30 PY1992 CBO - $913,028 Homemaking - $2,605,619 all Federal
Funds Distribution and Service Providers	Funds are allocated on a competitive basis to secondary and post-secondary institutions.	Single Parents and Sex Equity - competitive Criminal Offenders - formula based on contact hours.	Funds are formula allocated to secondary schools.	CBO - Competitive. Homemaking - Formula
Special Projects/Initiatives	Curriculum Projects, Personnel Development Projects, Program Improvement Projects.	Single Parent - Secondary Schools Sex Equity - Region Education Service Centers and other Criminal Offenders - Windham and TYC.	N/A	N/A
Participants Served*	643,811	680,000	643,811	205,000

* Figures represent the estimated number served

I. Education System Work Force Development Programs

Program	E. Post-secondary Technical Education: Community and Technical Colleges - Perkins IIB, Subpart 1	F. Post-secondary Technical Education: Community and Technical Colleges - Perkins IIA	G. Post-secondary Technical Education: Community and Technical Colleges - Perkins IIIE	H. Post-secondary Technical Education: Community and Technical Colleges - Perkins IIC
Purpose	To make the U.S. more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population. Title II-B, Subpart 1, provides federal assistance for programs that provide single parents, displaced homemakers, and single pregnant women with marketable skills. Subpart 1 also provides for programs that promote the elimination of sex bias.	To make the U.S. more competitive in the world economy by developing more fully academic and occupational skills of all segments of the population. Title IIA provides assistance for state programs and state leadership.	To make the U.S. more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population for the benefit of the work force. Title IIIE provides federal assistance for planning and demonstration grants to consortia of local education agencies and post-secondary education institutions for Tech-Prep education.	To make the U.S. more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population. Title IIC provides assistance for secondary, post-secondary and adult vocational education programs within the state.
State Administrative Entity	Texas Higher Education Coordinating Board (THECB)	Texas Higher Education Coordinating Board (THECB)	Texas Higher Education Coordinating Board (THECB)	Texas Higher Education Coordinating Board (THECB)
Funding level	July 1 - June 30 PY1992 $2,765,380 - Federal	July 1, - June 30 PY1992 $2,126,859 - Federal	July 1 - June 30 PY1992 $4,860,650 - Federal	July 1 - June 30 PY1992 $18,766,409 - Federal
Funds Distribution and Service Providers	Funds are allocated to local institutions on a competitive basis.	Funds are allocated to local institutions on a competitive basis.	Funds are allocated on a competitive basis.	Funds are formula allocated to eligible institutions.
Special Projects/Initiatives	Partnerships for JOBS (research demo - AFDC)	Quality Work Force Planning/Tech-Prep partnership relationships.	Cooperative working relationships with Quality Work Force Planning Regions.	N/A
Participants Served*	N/A	Texas - 24 Quality Work Force Planning Regions	PY1992 - 18 consortia in Texas	PY 1991 408,518

* Figures represent the estimated number served

I. Education System Work Force Development Programs

Program	I. Post-secondary technical Education: Community and Technical Colleges - State Funding	J. Secondary Vocational Education: Foundation School Program-State Funding	K. Adult Education Act: Title IIIB and State Funding
Purpose	To provide partial support for post-secondary technical education: include adult technical/non-credit courses.	To provide financial support for public education programs including vocational education in public schools.	To improve educational opportunities for adults; to provide the educational prerequisites for effective living, gainful employment and citizenship, to expand and improve the current delivery system, and to encourage establishment of adult education programs.
State Administrative Entity	Texas Higher Education Coordinating Board (THECB)	Texas Education Agency (TEA)	Texas Education Agency (TEA)
Funding level	September 1 - August 31 FY1992 $224 million - state	August 1 - May 31 PY1992 $327,401,893 - state (est.)	July 1 - June 30 PY1992 $24,020,704 $15,020,704 - Federal $9,000,000 - State
Funds Distribution and Service Providers	Local institutions request funds using a designated formula	Funds are formula allocated to local school districts.	Federal $12,767,598 by competitive grants. Remaining $2,253,106 federal for state activities, teacher training, special projects. State - Formula to adult education co-ops / $2 million for JOBS.
Special Projects/Initiatives	N/A	Quality Work Force Planning (TEA) (Portion paid for out of state foundation grant).	1. Work Force Literacy Partnership Implementation (Northeast Texas Community College)
Participants Served*	FY1991 184,097 Served	FY1991 Number of persons served under this program is reflected in the total served under Perkins IIB, Subpart B, Subpart 1 and Perkins IIC.	PY1991 220,027 Served

* Figures represent the estimated number served

I. Education System Work Force Development Programs

Program	L. Windham Vocational Education for Adult Offenders	M. College Academic and Vocational Program	N. Windham Academic Program	O. Apprenticeship and Training Program
Purpose	To develop occupational skills in adult offenders to better prepare each student to re-enter the job market.	To provide eligible inmates the opportunity to increase their academic and vocational skills to increase their employability upon release from incarceration.	To improve educational opportunities for incarcerated adults and to provide the educational prerequisites for effective living, gainful employment and citizenship.	To train apprentices in the practical and theoretical aspects of their craft through actual work experience augmented by related instruction.
State Administrative Entity	Texas Department of Criminal Justice (TDCJ)	Texas Department of Criminal Justice (TDCJ)	Texas Department of Criminal Justice (TDCJ)	Texas Department of Criminal Justice (TDCJ)
Funding level	FY1992 $8,378,158 - State $514,000 - Federal(Perkins)	FY1992 $3,953,041 - State	FY1992 $24,515,776 state 600,000 - Federal (Comp. Ed.)	FY1992 $38,412 - State $129,548 - Federal (Perkins)
Funds Distribution and Service Providers	Funds are allocated to the Windham School System.	Contracted to junior/community colleges and universities for programs within TDCJ.	Funds are allocated to the Windham School System.	Funds are allocated to the Windham School System.
Special Projects/Initiatives	1. Vocational training to eligible inmates in 44 occupational fields in trades and industry, home-making and agriculture. 2. Training for women in non-traditional fields.	College academic and vocational instruction at 24 TDCJ - ID units	Literacy and life skills training directly to inmates.	Train apprentices in the practical and theoretical aspects of their crafts.
Participants Served*	14,000	15,000	35,000	1200

* Figures represent the estimated number served

II. Intervention System Work Force Development Programs (for groups with special needs)

Program	A. JTPA Programs for Disadvantaged Adults and Youth: JTPA Title IIA (78%)	B. JTPA Education Coordination Programs: JTPA Title IIA 8%	C. JTPA Programs for Older Workers: JTPA Title IIA 3%	D. Summer Youth Employment Program: JTPA Title IIB
Purpose	To provide job training programs that prepare youth and unskilled workers for entry into the labor force.	To provide education and training in coordination with education entities. Texas sets aside twenty percent of these funds for state-level activities and allocates eighty percent of the funds to the local service delivery areas (SDAs).	To provide training and placement services to persons 55 years of age and older.	To provide summer programs for youth to increase basic educational skills, encourage school completion or enrollment in alternative school programs and to provide youth with work experience.
State Administrative Entity	Texas Department of Commerce (TDOC)	Texas Department of Commerce (TDOC)	Texas Department of Commerce (TDOC)	Texas Department of Commerce (TDOC)
Funding level	July 1 - June 30 PY1992 $114,320,316 - Federal	July 1 - June 30 PY1992 $10,275,991.- Federal	July 1 - June 30 PY1992 $3,853,497.- Federal	July 1 - June 30 PY1992 $89,382,937.- Federal
Funds Distribution and Service Providers	Funds are by law formula allocated to local SDAs. Above includes state administration technical assistance and incentives to local programs.	80% of the funds are currently formula allocated to SDAs. 20% of the funds are distributed in accordance with state policy	Funds are currently distributed on a competitive award basis.	Funds are by law formula allocated to local SDAs. Above sum includes one time only summer youth program supplement of $40,716,308.
Special Projects/Initiatives		1. YOU (state-level administration) 2. Tech-Prep 3. Quality Work Force Planning 4. CIS 5. Literacy Programs Texas Literacy Council 6. Adjudicated Youth Program 7. Labor Market Information Development a. SOCRATES b. QWF Committees (SDAs) c. Emerging Occupations 8. Dropout Info Clearinghouse 9. Transition for Offenders projects	1. Cooperative Programs with the Senior Texans Employment Program in the Heart of Texas, El Paso, and Golden Crescent SDAs.	1. SYTEP program. 2. Youth Opportunities Unlimited (YOU).
Participants Served *	PY1991 55,377 Served	PY1991 14,254 Served	PY1991 2,619 Served	CY1991 33,095 Served 235 Entered Employment

* Figures represent the estimated number served

II. Intervention System Work Force Development Programs (for groups with special needs)

Program	E. Economic Dislocation and Worker Adjustment Assistance (EDWAA): Title III	F. JTPA Programs for Veterans: JTPA Title IVC	G. Wagner-Peyser Discretionary Funds 7(b)	H. Job Opportunities and Basic Skills Training (JOBS), Family Support Act, Social Security Act and State Funding
Purpose	To provide effective planning and delivery of job training and employment services to persons experiencing employment dislocation because of down turns in local labor market shifts in the general economy.	To provide employment and training services to veterans. Wagner-Peyser 7(b) funds are used as the match for JTPA funds.	Ten percent of the Wagner-Peyser funds are for performance incentives for public employment service local offices and programs, services for groups with special needs, and extra costs of exemplary models for basic labor exchange functions.	To assure that needy families with children obtain the education, training, support services and employment that will enable them to become economically self-sufficient.
State Administrative Entity	Texas Department of Commerce (TDOC)	Texas Department of Commerce (TDOC)	Texas Employment Commission (TEC)	Department of Human Services (DHS)
Funding level	July 1 - June 30 PY1992 $28,467,253.- Federal	July 1 - June 30 PY1992 $504,000 - Federal	July 1 - June 30 PY1992 $5,132,144 - Federal	September 1 - August 30 FFY1992 $40,735,485 $16,403,025 - Federal $24,332,460 - State matching
Funds Distribution and Service Providers	60% of the funds are formula allocated to SSAs. 40% of the funds are held at the state and are distributed by need to local SSAs.	Funds are currently distributed on a competitive award basis.	Funds are currently distributed at the discretion of the Governor.	Funds are formula allocated to regional areas.

* Figures represent the estimated number served

II. Intervention System Work Force Development Programs (for groups with special needs)

Program	E. Economic Dislocation and Worker Adjustment Assistance (EDWAA): Title III	F. JTPA Programs for Veterans: JTPA Title IVC	G. Wagner-Peyser Discretionary Funds 7(b)	H. Job Opportunities and Basic Skills Training (JOBS), Family Support Act, Social Security Act and State Funding
Special Projects/Initiatives			1. Veterans Employment Programs (provides match for JTPA IVC funds). 2. Job Search Assistance for AFDC recipients. 3. Statewide Coordination and Rapid Response for worker dislocations. 4. Communities-In-Schools (CIS). 5. Human Investment System Models a. American Institute for Learning (AIL). b. Corpus Christi Bay Area Human Investment Council. c. San Antonio Workforce Development System Demonstration project.	Communities-In-School (CIS) (JOBS Title IV-F)
Participants Served*	PY1991 21,191 Served	PY1991 429 Served	PY1991 7,580 Served	FY1991 45,651 served

* Figures represent the estimated number served

II. Intervention System Work Force Development Programs (for groups with special needs)

Program	I. Food Stamp Employment and Training (FS E&T). Food Stamp Act and State Funding	J. Senior Community Service Employment Program/Senior Texans Employment Program (STEP) Older Americans Act	K. Trade Adjustment Assistance Act	L. Vocational Rehabilitation Program: Vocational Rehabilitation Act and State Funding (Basic Support, Section 110)
Purpose	To assist members of households participating in the food stamp program in gaining skills, training, education or experience that will increase their ability to obtain regular employment.	To promote useful part-time employment opportunities in non-profit or governmental entities to provide community service activities and income for unemployed, low income persons 55 years and older.	To provide employment services, training and allowances to persons who lose their job as a result of increased imports.	To help people with mental and physical disabilities prepare for and find competitive employment.
State Administrative Entity	Texas Department of Human Services (DHS)	Texas Department on Aging (STEP)	Texas Employment Commission (TEC)	Texas Rehabilitation Commission (TRC)
Funding level	October 1 - September 30 FFY1992 $15,942,428 $12,379,989 - Federal 3,562,439 - State	July 1 - June 30 PY 1992 $4,850,073 $4,365,066 - Federal $485,007 - State	October 1 - September 30 FFY1991 $15,481,878 - Federal	October 1 - September 30 FFY1992 $126,400,000 $99,700,000 - Federal $26,700,000 - State
Funds Distribution and Service Providers	Funds are allocated to TEC for local program administration in 53 counties and to TAPIC for 3 counties.	Enrollee positions are allocated through an equitable distribution plan by county.	The state TEC office directly reimburses training providers for services and pays allowances directly to participants.	Funds are distributed to the regional level by formula.
Special Projects/Initiatives	NA	1. Cooperative programs with SDAs. 2. Pilot projects with TEC.	NA	1. Return to Work. 2. Extended Rehabilitation Services. 3. Offenders with Mental Impairments.
Participants Served*	FFY 1991 127,617 Served	FFY 1991 980 Served	FFY 1991 13,143 Served	FFY1991 64,094 Served

* Figures represent the estimated number served

II. Intervention System Work Force Development Programs (for groups with special needs)

Program	M. Communities-in-Schools (state funded program)	N. Return to Work	O. Extended Rehabilitation Services	P. Offenders with Mental Impairments
Purpose	To provide school-based drop-out prevention programs to at-risk students, including pre-employment training and employment programs.	To serve and assist work injured individuals return to employment at less expense and in a shorter time frame.	To provide rehabilitation services to individuals with severe disabilities who are not capable of entering the competitive labor market without ongoing support services.	To enable non-violent persons with mental impairments who are in the criminal justice system to live and work in the community, by providing services leading to successful community integration.
State Administrative Entity	Texas Employment Commission (TEC)	Texas Rehabilitation Commission (TRC)	Texas Rehabilitation Commission (TRC)	Texas Rehabilitation Commission (TRC)
Funding Level	FY1992 $4.9 million state compensatory education. PY1992 $840,218 - Federal	PY1992 $77,704 - Federal	PY1992 $4,000,000 - State	PY1992 $300,000 - State
Funds Distribution and Service Providers	Funds are allocated to local CIS programs and are made available to local SDAs and local CIS providers.	Regional TRC offices	Regional TRC offices	Regional TRC offices
Special Projects/Initiatives	1. SYTEP Implementation •Beaumont CIS, joint program with SDA •North East Texas CIS •Corpus Christi SDA, joint program with Corpus Christi CIS 2. Austin CIS, unemployed parents helping with intake and eligibility 3. Austin CIS - drug intervention education program	Early intervention of vocational rehabilitation services to injured workers through vocational counseling, coordination of medical and employment services, and early return to work with the same employer.	Clients must have severe disabilities, be age 16 or older, and must be able to benefit from extended rehabilitation services.	Austin and Houston pilot projects with the goal of developing new knowledge on effective alternatives to incarceration for individuals with mental retardation, developmentally disabled and mental illness. The program assists individuals currently in the criminal justice system with becoming socially independent and employed.
Participants Served*	19,520 - case management (thru May of 1992) 38,416 - all participants (thru May of 1992)	12 "closures" thru 3rd quarter of PY1992. "closures" = clients returned to work.	1357 thru 3rd quarter of PY1992	142 thru 3rd quarter of PY1992

* Figures represent the estimated number served

II. Intervention System Work Force Development Programs (for groups with special needs)

Program	Q. Transition Planning for Students
Purpose	To provide transition planning services to students 16 and older who are enrolled in special education.
State Administrative Entity	Texas Rehabilitation Commission (TRC)
Funding Level	PY1992 $400,000 - State
Funds Distribution and Service Providers	Regional TRC offices
Special Projects/Initiatives	Specially trained transition counselors work with students, parents, teachers and other team members to plan for the students employment and independence. The planning is done in four key areas: finding and keeping a job; living as independently as possible; learning social and recreational skills; and participating in further education.
Participants Served*	92 thru 3rd quarter of PY1992

* Figures represent the estimated number served

III. Labor Exchange

Program	A. Employment Service Wagner-Peyser Act (7A)	B. Project RIO - Criminal Justice State Appropriations Bill	C. Refugee Assistance Act
Purpose	To establish a national system of public employment offices administered through the State Employment Security (ES) agencies to facilitate matching workers and jobs.	Project RIO provides labor exchange activities for state parolees.	To make available sufficient resources for employment, training and placement in order to achieve self-sufficiently among refugees as quickly as possible.
State Administrative Entity	Texas Employment Commission (TEC)	Texas Employment Commission (TEC) through interagency contract from Criminal Justice Department	Governor's Office of Immigration and Refugee Affairs (GOIRA)
Funding Level	July 1 - June 30 PY1992 $51,320,144.- Federal	$4,293,870 FY1991 General Revenue Funding	FFY1992 $2.2 mil.- Federal
Funds Distribution and Service Providers	Funds are formula allocated to local TEC offices.	Funds are distributed to 7 TEC offices that provide RIO exclusively and to 71 TEC sites that provide RIO in conjunction with other TEC services.	Funds are currently distributed to 12 social service non-profit contractors via a competitive process.
Special Initiatives/Projects	1. Greater Texas Program - (multi-funded project that includes other state agencies, employers, corporate funds; admin-only from ES funds.)	NA	NA
Participants Served*	PY1991 877,103 Served	PY1991 18,089 Served	PY1991 12,000 served

* Figures represent the estimated number served

IV Customized Training For Business Development

Program	Work Force Incentive Program.
Purpose	To provide state-subsidized, industry-specific job training for new and expanding industries that create jobs in Texas.
State Administrative Entity	Texas Department of Commerce (TDOC)
Funding Level	$2,000,000 General Revenue Funds
Funds Distribution and Service Providers	Funds are distributed to qualifying companies and state supported educational institutions on an application basis.
Special Initiatives/Projects	NA
Participants Served*	FY1991 5,243 Served

* Figures represent the estimated number served

V. Public Awareness Initiatives

Program	A. Secretary's Commission on Achieving Necessary Skills (SCANS), a part of America 2000	B. Texas Business and Education Committee (TBEC)
Purpose	To raise the awareness of business, labor, educational and civil leaders of what the world of work does and will require of workers in order for the U.S. to be competitive.	To encourage educational initiatives and community involvement in an effort to cause fundamental restructuring and significant improvement in schools.
Administrative Entity	Texas Steering Committee on SCANS will oversee SCANS implementation in Texas.	TBEC has a 40 member Board of Directors, 50% drawn from education community; 50% from major corporations.
Funding Level	None	Private Contributions $250,000
Distribution and Service Providers	NA	NA
Special Projects/Initiatives	NA	NA
Participants Served*	NA	NA

* Figures represent the estimated number served

APPENDIX B

Other State Programs

DEVELOPING AN INTEGRATED WORKFORCE DEVELOPMENT SYSTEM:

A Review of Other States' Experiences

Briefing Paper Prepared for the
Massjobs Council Restructuring Taskforce

February, 1992

DEVELOPING AN INTEGRATED WORKFORCE DEVELOPMENT SYSTEM
A Review of Other States' Experiences

At least $365 million of federal and state funds are spent each year on workforce development activities in Massachusetts. The Massjobs Council is the principal state body responsible for establishing a policy framework to ensure that these funds are invested widely and for determining the return on investment from these funds.

Like Massachusetts, several other states are exploring strategies to restructure their job training and education efforts from a collection of free-standing programs to a more integrated and cohesive system. States (other than Massachusetts) that are commonly cited in the national literature as having made significant progress in this area include Michigan, Indiana, New Jersey, Washington, Wisconsin and Oregon.

The following pages include:

- A description of the actions taken in these six states to develop a more systemic approach to workforce development;
- A discussion of the strengths and weaknesses of each approach; and
- A brief summary of some lessons that may apply to Massachusetts as a result of these states' experiences.

MICHIGAN

I. Approach to Restructuring

In the mid-1980's policy makers in Michigan undertook a detailed study of the $800 million/70 program job training system in their state. They reached the following conclusions about how the programs within this "system" operated:

- The programs are not policy-driven;
- The programs emphasize inputs rather than outcomes;
- The programs are supply, not demand-driven;
- The programs create and encourage bureaucratic turf;
- The programs result in fragmented service delivery; and
- This fragmented service delivery produces incoherent management and market information.

Based on this analysis, the following policy parameters were adopted to guide creation of a "Michigan Human Investment System":

- The *system* should be demand or customer-driven, not supply or program driven;
- The *system* should be transparent and user-friendly to customers;
- The *system* should focus on outcomes; and
- The *system* should be policy-responsive, coherent and resource efficient.

After developing these policy parameters, the Michigan Job Training Coordinating Council then discussed various strategies to encourage systemic change. They reached the following conclusions:

- Traditional **public sector** process-oriented remedies (e.g. reorganization of agencies, new legislation, calls for "coordination") are more likely to promote turf wars than widespread systemic changes; and
- Most effective management systems in the **private sector** concentrate on costs and results, regardless of details of process.

State policymakers then identified three basic management objectives to encourage systemic change:

1. Concentrate on linking a few defined outcomes with services and resources provided to customers.

2. Insist that local managers and providers meet certain standards in the way they manage the system, such as transparency, common entry and assessment, common definition of outcomes, and quality standards.

3. Let local participants inside the human investment system decide who is to do what as long as other management objectives are met. State government should avoid interfering in the specifics of local operations wherever possible.

The next step taken in Michigan was to attempt to reduce barriers to implementation of system-wide management objectives. Efforts were made to:

- Create a consensus for change at the state and local levels;
- Break existing service provider monopolies;
- Integrate planning across programs;
- Create common outcome standards; and
- Develop a "Michigan Opportunity Card" to unite fragmented marketing, entry, and administration of education and training services into an integrated, customer-driven system.

II. Discussion

Michigan's efforts to restructure its workforce development activities in the mid 1980's were led by a visionary State Job Training Coordinating Council Chairman and a small staff housed in the Governor's Office of Job Training: an autonomous division of the state Labor Department. The conceptual approach they took broke a great deal of new ground in employment and training policy circles. Many states that are now beginning to attempt to restructure their own job training efforts into a customer-driven and results-oriented system are heavily borrowing from the concepts developed in Michigan during this time period.

Michigan's experiences in attempting to implement these innovative concepts provide important lessons for other states. The various individual programs that were criticized for contributing to a fragmented system nevertheless exercised a great deal of control in their own policy areas. Compared to these line agencies, the State Job Training Coordinating Council had very few tools at its disposal (beyond the power of its arguments) to actually transform the system. The State Council and Governor's Office of Job Training chose to "define away" this problem by concentrating on building an intellectual foundation for a new system and introducing brand new tools such as the Michigan Opportunity Card.

Michigan's attempts to build a Human Investment System became a political issue during the Gubernatorial election of 1990. Problems in implementing the "Opportunity Card" concept were publicized and ridiculed by the incumbent Governor's opponent. The election of a new Governor effectively killed these reforms since he campaigned against them and little support existed within the bureaucracy for enacting the sweeping changes that his predecessor had called for.

I. Approach to Restructuring

In the late 1980's the Governor of Indiana became concerned about the fragmented employment and training system in his state. As a result, he took steps to attempt to both consolidate administration of employment and training program at the state level, and restructure delivery of these programs at the local level. These steps included:

- Creation of a new Indiana Department of Employment and Training Services (IDETS). This new department was given responsibility for administering the following programs: JTPA (Titles II and III), Employment Service, Unemployment Insurance, and labor market research and information services; and

- Creation of a new consolidated substate delivery system managed by local IDETS district offices.

These restructuring efforts proceeded relatively smoothly at the state level. However, the local JTPA delivery system, which was used to operating with little intervention by state agencies, strongly resisted efforts to consolidate the delivery of employment and training services through IDETS district offices. In some areas of the state, serious labor/management disputes arose over personnel issues involved in consolidation, and in other areas disagreement existed about roles and responsibilities of IDETS, local Service Delivery Areas, and local Private Industry Councils.

Upon assuming office in 1989, Indiana's new Governor took steps to reduce the local disputes hampering restructuring of Indiana's employment and training programs. Under his direction, "confederation agreements" were signed between IDETS district offices and JTPA Service Delivery Areas. This enabled Indiana to proceed with implementing the previous administration's plans for creating regional "hubs" which would serve as one step delivery centers for employment and training programs.

After addressing these local jurisdictional issues, Indiana's Governor then turned his attention to restructuring workforce development programs at the state level. The Governor decided to build upon his predecessors attempts to consolidate state agencies administering employment and training programs by giving IDET's additional responsibilities for some important employment-related education programs. In February of 1991 the Governor issued an Executive Order creating a new Indiana Department of Workforce Development. This new "superagency" was given responsibility for assisting the Governor to develop a workforce development agenda, and for day-to-day oversight over the following three (previously separate) agencies:

- Indiana Department of Employment and Training Services (JTPA, ES, UI)

- Indiana Commission on Vocational and Technical Education (Perkins)

- Indiana Office of Workforce Literacy (Workforce education/Literacy programs)

A "loaned executive" from one of the state's larger employers (GTE) was brought in to oversee the consolidation of these agencies. Responsibility for administering more "traditional" education functions (K-12, local vocational education, and adult education) continues to reside in a separate Department of Education.

In January of 1992 the Governor introduced legislation to codify and expand upon the restructuring efforts initiated by Executive Order the previous year. Key features of this proposed legislation include creation of a new "Indiana Workforce Development Board" with responsibility for assisting the Governor and the Department of Workforce Development to set policy for the following major programs: JTPA (Titles II and III), Perkins, adult education, Technical Colleges, apprenticeship programs, and the Employment Service.

II. Discussion

Indiana's experience in attempting to restructure its workforce development programs provides important lessons for other states. After several years of tension between representatives of state agencies and local JTPA administrators, several highly successful "Workforce Development Centers" in different areas of the state are currently providing one-stop services to clients of employment and training programs. At the state level, several major employment, training, and employment-related education programs have recently been consolidated into one "super-agency" that has lead responsibility for implementing the Governor's workforce development initiatives.

Despite years of Gubenational focus on consolidating agencies that administer employment and training programs, Indiana is just now beginning to think strategically about creating an integrated workforce development system. State officials have come to the realization that consolidation can set off time consuming and counterproductive turf wars if it is not guided by an overarching vision which is agreed to by major stakeholders. Current efforts to "open-up" the process and create a strong policy-making board to advise the Governor and state administrators who implement these programs should assist efforts to begin to integrate employment-related education programs with the rest of the job training system.

I. Approach to Restructuring

In January of 1990 a bill was signed into law creating the New Jersey State Employment and Training Commission. The Commission's mission is to establish a Workforce Readiness System to provide quality programs that are responsive to the needs of both workers and employers.

The Commission is structured within state government independent of all other departments. The Chairman of the Commission is the retired CEO of one of the state's largest companies (Johnson and Johnson) and deals directly with the Governor. The Commission's 10 full-time staff report directly to the Chairman. The active involvement of the Governor's director of policy provides an important connection between the executive branch and the Commission.

Shortly after the Commission was created, the Governor's Office formed an Executive Branch Work Group consisting of top officials in agencies responsible for administering major employment, training and education programs. This Work Group's task was to assess all of the components of the $1.25 billion/64 program "system" in New Jersey and report back to the Commission regarding how to organize these services to best meet the Commission's mission.

Members of the Executive Branch Work Group quickly agreed that the "system" needed to be reorganized and services needed to be consolidated both within and among various state agencies. However, *before developing specific recommendations for consolidation*, the Work Group identified a set of principles to form the foundation for a Workforce Readiness System in New Jersey:

- A successful workforce readiness system must be consumer-based and market driven;
- The system must be accountable for outcomes produced and subject to evaluation by the state;
- A workforce readiness system requires the full participation of all potential workers;
- All partners in the workforce readiness system must take a holistic approach toward meeting the many and varied needs of consumers;
- The system must provide comprehensive services that are accessible to all clients; and
- A holistic program of services will be guided by policy established at the state level.

The Work Group then attempted to define the primary mission of each state department that administed workforce readiness programs. Each department was identified as either a "producer" or a "consumer" of employment, training and education services. In this framework, "Producer Department's" primary mission is to deliver workforce readiness programs; while Consumer Department's serve as advocates and provide support for their constituents. Programs within each department were then scrutinized and categorized according to their core functions (e.g. basic education, occupations training, labor exchange, etc).

After reviewing the Work Group's analysis, the Employment and Training Commission recommended the following structural changes to the New Jersey Workforce Readiness System:

- The Workforce Readiness System should be administered through three "Producer Departments": Education, Higher Education and Labor;
- The 64 distinct programs operating within six separate Departments should be reduced into 15 distinct program areas which would operate within the three Producer Departments; and
- The three "Producer Departments" must be structured internally by function in such a manner as to ensure the coherent delivery of services; and
- In order to better integrate workforce readiness policy-making, the New Jersey Employment and Training Commission should perform the functions of both a State Job Training Coordinating Council and a State Council on Vocational Education.

The Commission also developed a mechanism to address any intra-agency disputes that might arise as a result of this restructuring. Ad-hoc independent third-party facilitating committees were established to resolve jurisdictional and operational issues that arose among executive branch department in implementing the consumer-producer model. Commission members serve as fact finders to develop recommendations for any issue where there is disagreement between departments. The assumption of this role by the Commission has received widespread acceptance and endorsement from agencies which have undergone the process of restructuring.

In addition to implementing these restructuring initiatives, the New Jersey Employment and Training Commission is also working on a number of other projects to enable this restructured system to operate more effectively. Examples of these projects include:

- Development of a single state plan for all workforce readiness activities;
- Development of accountability measures, based in part on wages paid and duration of employment, to evaluate all occupational education programs; and
- Development of a labor market assessment system for providing accurate and timely information on the occupations and skills necessary to meet employer needs for a work class workforce.

II. Discussion

Although it is too early to judge the ultimate success of New Jersey's efforts to create a workforce readiness system, nevertheless it appears that the Garden State has managed to avoid some of the mistakes that hampered similar efforts in Michigan and Indiana. Unlike Indiana, New Jersey developed a conceptual justification prior to enacting its restructuring efforts. Unlike Michigan, New Jersey is also attempting to establish an organizational infrastructure capable of sustaining systemic reform.

WASHINGTON

I. Approach to Restructuring

In the late 1980's representatives of some of Washington's leading business and labor organizations joined state government officials on a fact-finding visit to study several European labor market systems. This visit helped to generate a political consensus on the need to create a more integrated workforce education and training system in Washington.

In May of 1990 the Governor created an Advisory Council on Investment in Human Capital to undertake an extensive study of the state's training "system". Training institutions that the Council studied included secondary and post secondary vocational education institutions, community colleges, agencies providing training under the Job Training Partnership Act, private vocational schools, apprenticeship programs, community based organizations, and adult basic education providers. Issues examined included coordination, accountability, governance, accessibility, and financing.

The Advisory Council's report was submitted to the Governor in December of 1990. The Council found that state oversight of workforce and education and training programs was extremely fragmented among at least seven separate boards, commissions, councils and committees and at least four state agencies. The Council's major recommendation was establishment of a new coordinating board to create a more integrated adult education and training system and to enhance the system's visibility in state government.

In January of 1991 the Governor introduced legislation to implement some of the major recommendations of the Advisory Council's report. Key provisions of this bill included:

- Transferring authority for both adult education and post-secondary vocational technical training programs away from the *independently elected* Superintendent of Public Instruction to a State Board for Community and Technical College Education;
- Creation of a new Work Force Training and Education Coordinating Board with broad planning, coordinating, evaluating, monitoring, and policy development responsibilities for the state's entire adult training system; and
- Creation of a new policy unit to assist this Work Force Training and Education Coordinating Board to carry out its duties.

The new tripartite Work Force Training and Education Coordinating Board held its first meeting in October of 1991. The Board includes three business representatives, three labor representatives, and the following three state government representatives:

- the Superintendent of Public Instruction (K-12, secondary voc-ed);
- the Executive Director of the State Board for Community and Technical College Education (community colleges, adult education, post-secondary vocational education); and
- the Commissioner of the Washington State Employment Security Department (JTPA Titles II and III, Employment Service, Unemployment Insurance, labor market research, employment and training responsibilities for the JOBS program).

During its first year of operations this Board plans to focus on the following major tasks:

- Developing a comprehensive plan for the state's work force training and education system;
- Establishing standards for data collection in the various agencies concerned with training; and
- Analyzing the best way to organize delivery of work force training and education services at the substate level.

The new Work Force Training and Education Coordinating Board has overlapping membership with both the State Job Training Coordinating Council and the State Council on Vocational Education.

This new policy board has a staff of approximately 20 which is supported with funding from the JTPA Governor's Education Coordination Grant and the Carl Perkins Act. A bill has been submitted to the legislature to create a more permanent funding source for this new agency.

II. Discussion

Washington State's current efforts to create a more integrated work force education and training system are based on three key principles:

- Creating a broad, tripartite political consensus for restructuring;
- Consolidation of administration of education and training programs into distinct functional areas; and
- Consolidation of policy-making responsibilities into one "Super Council".

To date virtually all of the restructuring efforts in Washington have focussed on *state level* policy-making and programmatic administration issues. A major challenge that the new Work Force Training and Education Coordinating Board faces is to replicate this integration of education and training services at the *substate level* where services are delivered. No local mechanism similar to the state "Super Council" currently exist in Washington.

WISCONSIN

I. Approach to Restructuring

Upon assuming office in 1986, Wisconsin's Governor initially focussed his attention on instituting several new workforce development initiatives (e.g. School Choice, "Learnfare") to attack the problems of the underclass in Milwaukee. In the late 1980's he then declared the goal of developing a world class workforce throughout the state to be one of the top priorities of his administration. In January of 1990 the Governor appointed a private sector led Commission for a Quality Workforce and charged it with "developing strategies to ensure that employers in Wisconsin enter the twenty-first century with the workforce they need to compete in the world marketplace."

The Commission met for more than a year. During this time it conducted a review of the most current national literature, an analysis of industrial, occupational, and demographic trends in Wisconsin, and a survey of the training needs of 3300 businesses in five key sectors of the Wisconsin economy. The Commission's final report (which was released in April of 1991) included specific action plans to implement the following ten major policy recommendations:

- Wisconsin's system of public education must adopt outcome-oriented, competency-based educational objectives throughout the primary and secondary grades;
- Educators, the business community, and state policy makers must establish attainment of Certificate of Initial Mastery as a prerequisite for eligibility for employment or training opportunities for high school students;
- Technical colleges and high schools must substantially improve alternative education programs for students at risk of dropping out of high school and for adults in need of high school instruction;
- High school curricula must be redesigned to prepare non-university bound students for technical careers;
- Educators and counselors in primary and secondary schools must improve career education for all students throughout their educational experience;
- More Wisconsin employers must adopt new technology and methods of organizing work. To support this effort, technical colleges must facilitate employer leadership in worker training and retraining;
- Technical colleges must upgrade occupational education to meet the growing needs of employers;
- Wisconsin's employers and workers, in partnership with the technical colleges, must reskill the existing workforce for a more competitive economy; and
- Technical colleges must work with business and industry across the state to improve access to training.

On July 3, 1991 the state legislature passed a bill to create a comprehensive school-to-work initiative in Wisconsin. This bill, which was based in part on the work of the Governor's Commission for a Quality Workforce, has four key components:

- Tenth Grade "Gateway Assessment". All Wisconsin schools will institute a Tenth Grade Gateway Assessment of core competencies that will be multidisciplinary, performance based, and based on parental involvement.

- Technical Preparation. School districts will be required to establish, in conjunction with vocational education district boards, a technical preparation program in each high school financed by the school district.

- Youth Apprenticeship. The legislation authorized creation of a youth apprenticeship program in the Department of Industry, Labor and Human Relations (DILHR). In cooperation with the Department of Public Instruction and the State Board of Vocational, Technical and Adult Education, DILHR is changed with submitting a report to the Governor and Legislature by October 31, 1992 detailing the actions necessary to develop and maintain a statewide youth apprenticeship program.

- Postsecondary Enrollment Options. Beginning in academic year 1992-1993, 11th and 12th graders will be able to take up to 15 credits per semester at a campus of the University of Wisconsin, a postsecondary vocational college, or a Wisconsin private college. If the course is taken for high school credit, the public school district must pay the cost of tuition.

This legislation took effect in August of 1991. In September the Governor issued an Executive Order creating a nine member Executive Cabinet for a Quality Workforce (ECQW). This primary purpose of this group is to oversee implementation of the new school-to-work law and any other new programs or initiatives that might be implemented as a result of the recommendations of the Governor's Commission for a Quality Workforce.

The ECQW includes six officials who are responsible for administering the major workforce development programs in Wisconsin, the presidents of the leading statewide business and labor organizations, and the Chairman of the Governor's Commission for a Quality Workforce.

II. Discussion

Wisconsin's current attempts to create a world-class workforce are based on a detailed study of whether existing programs are meeting businesses current and future needs for trained workers. This report indicated that neither the education system nor the training system were doing an adequate job in preparing high school age students for the world of work.

In order to fill this public policy gap, legislation was then enacted that charged different components of the bureaucracy with working cooperatively to implement a comprehensive new school-to-work transition effort. A new policy body was appointed by the Governor to both oversee this effort and to ensure that the education and training systems in Wisconsin continue to develop new strategies to achieve the national education goals related to lifelong learning.

OREGON

I. Approach to Restructuring

In the late 1980's Oregon's Governor moved aggressively to establish a strategic planning process to drive public policy in Oregon for the next decade. In May of 1989 his administration released a report entitled "Oregon Shines: An Economic Strategy for the Pacific Century." This report identified work force quality as one of Oregon's major competitive advantages, and proposed that Oregon should take specific steps to "*become measurably*, the best educated and trained people in America by the year 2000 and equal to any in the world by the year 2010."

Shortly after the release of the "Oregon Shines" report, the state legislature created a new strategic planning body called the Oregon Progress Board. This seven member board is chaired by the Governor and is responsible for recommending long-term policy goals for Oregon and proposing measurable "benchmarks" for achieving these goals over time. Wherever possible, the benchmark focus on measurable outputs or results (e.g. adult literacy rates) rather than inputs (e.g. the amount of money spent on literacy education).

Upon assuming office in 1991, Oregon's new Governor pledged to adhere to the results-oriented planning process initiated by her predecessor. The new Governor worked closely with the former Speaker of the Oregon House to develop a comprehensive legislative package to begin to address the workforce development goals and benchmarks established by the Oregon Progress Board. To help launch this package, the Governor and former speaker arranged for Ira Magaziner to address a special joint meeting of Oregon House and Senate members in March of 1991 to discuss the "America's Choice" report.

By the end of the 1991 legislative session, six major bills were enacted into law which restructured the workforce development system in Oregon. Key measures included:

- Senate Bill 636. Formally adopted (with some modifications) more than 100 benchmarks developed by the Oregon Progress Board through extensive public hearings. A number of these benchmarks are directly related to the goal of "becoming the best educated and trained people in America by the year 2000 and equal to any in the world by 2010." (For example, one benchmark would require the percentage of high school students with significant involvement in vocational/technical programs to rise from 9% in 1990 to 18% in 1995, 35% in the year 2000, and 55% in 2010.)

- House Bill 3565. This bill dramatically overhauled Oregon's primary and secondary school system. Key provisions include a schedule to fully fund Head Start programs by 1998; requirement of a Certificate of Initial Mastery for all students by the end of 10th grade and a Certificate of Advanced Mastery (after 12th Grade) that are benchmarked to the highest in the world; creation of a network of second chance learning centers for dropouts up to the age of 21 to assist them in achieving the Certificate of Initial Mastery; significantly lengthening the school year; and a broad range of additional reforms addressing curriculum, assessment of student performance, and parental involvement.

II. Discussion

Oregon has enacted the most comprehensive restructuring of its education and training programs of any state in the nation. Key features of the Oregon approach include:

- A bipartisan long-term strategic planning process that encompasses the entire range of education and training programs;
- A Governor and state legislative leaders who are committed to taking steps to restructure workforce development programs in support of this long-term vision;
- A willingness to be accountable for specific measurable results throughout the implementation of this plan; and
- Creation of a "Super Council" that has the strong backing of the executive and legislative branches and the authority to both set policy and provide oversight over the entire workforce development system.

The new Super Council held its first meeting in October of 1991. A major challenge that it will face is to maintain the momentum for restructuring of the state's workforce development system in light of the recent passage of a voter's initiative that will, over time, drastically reduce the amount of revenues available to the state government.

- House Bill 3133. This bill created the Oregon Workforce Quality Council to develop and oversee a comprehensive state workforce development strategy. This twenty-one member "Super Council" is responsible for overseeing both the major federal workforce development programs (i.e. JTPA, Carl Perkins, Wagner-Peyser, adult education, and JOBS) and the state's investments in public schools, community colleges, four colleges and universities, and apprenticeship programs. This super council consists of fourteen Gubenatorial appointees and the following seven statutory members:

- The Governor (or designee)
- Director of Economic Development Department (JTPA, Customized Training Programs)
- Director of Department of Human Resource (JOBS, Voc Rehab, the Employment Service)
- Superintendent of Public Instruction (K-12, secondary voc-ed)
- Commissioner for Community College Services (Community Colleges, ABE, Perkins)
- Chancellor of the State System of Higher Education (four year colleges, universities); and
- Commissioner of the Bureau of Labor and Industries (apprenticeship).

The Oregon Workforce Quality Council's statutory responsibilities include:

- Reviewing and approving the annual operating plans and budgets of the training and education programs of the state agencies represented by its members *prior to submission to the Governor;*

- Establishing common standards of accountability for training and education programs with the expectation that these performance standards shall eventually be used to evaluate the effectiveness of all programs;

- Overseeing development of an occupational forecasting, planning and follow-up system for education and training programs;

- Overseeing development of a substate network of Regional Workforce Committees which will act as mini-Workforce Quality Councils; and

- Overseeing implementation of the various education and training reforms enacted by the Governor and Legislature in 1991.

The Workforce Quality Council held its first meeting in October of 1991. The Council meets on a monthly basis. Its two subcommittees, (the State Job Training Coordinating Council and the State Occupational Information Coordinating Council) meet on a regular basis immediately prior to full Council meetings. The Council has five full-time staff who report directly to Governor's chief policy advisor for workforce development programs. A cross-functional team of staff members from all relevant agencies meets on a monthly basis after the full Council meetings.

LESSONS FOR MASSACHUSETTS

Massachusetts policy makers are currently considering a proposal to consolidate the organization of education and training programs at the state level. Over the past few years, several other states have also attempted to restructure their workforce development systems. The six states discussed in this paper are considered to be among those who have broken the most new ground in this area.

In this context, what follows is a brief summary of some lessons that may apply to Massachusetts as a result of these other states' experiences:

- Restructuring should be based on consensus and a shared vision among key stakeholders.

- The basic principles guiding a restructuring effort should be developed *prior to* instituting major organizational changes at either the state or local levels.

- The anticipated benefits of a restructured system should be stated from the outset and should make sense to both internal participants within the system and external "customers" of the system's services.

- Responsibility for overseeing restructuring efforts from *a policy level* should be centralized in a body that includes key executive and legislative branch officials, important state and local stakeholders in the system and representatives of external customers of the system (i.e. business and labor).

- Responsibility for *program administration* within a restructured system should be based on an analysis of the primary mission and core functions of existing programs.

- Progress reports on implementing restructuring efforts should be made on a regular basis to all major participants within the system.